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ABSTRACT

The Youth Incentive Entitlement Pilot Projects (YIEPP) demonstration was a large-scale test of a school-conditioning guaranteed jobs program for teenagers from low-income families. Unlike previous youth employment programs, the YIEPP linked school and work by offering jobs to all youth who met the eligibility criteria and who also agreed to remain in, or return to, school. During the 30-month demonstration, over 76,000 youth were employed by YIEPP work sponsors at 17 project sites across the country, operated by competitively selected Comprehensive Employment and Training Act prime sponsors. At the project's conclusion, a feasibility analysis was conducted to examine the ways in which YIEPP sponsors developed sufficient numbers of jobs for the target population and the degree to which the program's basic eligibility requirements and its school performance and attendance standards were enforced. The demonstration indicated that selected prime sponsors could feasibly enroll large numbers of economically disadvantaged youth in a guaranteed jobs program and provide them with adequate or better work experience despite fairly demanding program constraints of time and scale. What proved to be less feasible was the enforcement of some of the eligibility and school performance standards. (Appended to this report are site profiles, supplemental tables and charts, and a methodology for length of stay and termination analysis.) (MN)

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LINKING SCHOOL AND WORK FOR DISADVANTAGED YOUTHS

THE YIEPP DEMONSTRATION: FINAL IMPLEMENTATION REPORT

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with
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December 1982

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ENTITLEMENT SITES AND CETA PRIME SPONSORS

Tier I

Site	Prime Sponsor
Baltimore, Maryland	Mayor's Office of Manpower Resources
Boston, Massachusetts	Employment and Economic Policy Administration
Cincinnati, Ohio	City of Cincinnati Employment and Training Division
Denver, Colorado	Denver Employment and Training Administration
Detroit, Michigan	Employment and Training Department
King County, Washington	The King County Consortium
Eight Counties in Southern Rural Mississippi	Governor's Office of Job Development and Training

Tier II

Alachua County, Florida	Alachua County CETA
Albuquerque, New Mexico	City of Albuquerque Office of CETA
Berkeley, California	Office of Employment and Community Programs
Dayton, Ohio	Office of the City Manager Manpower Planning and Management
Monterey County, California	Monterey CETA Administration

Tier II
cont'd.

Site	Prime Sponsor
Philadelphia, Pennsylvania	City of Philadelphia Area Manpower Planning Council
Steuben County, New York	Steuben County Manpower Administration
Syracuse, New York	City of Syracuse Office of Federal and State Aid Coordination

PREFACE

A number of studies have documented the employment problems faced by low-income, often minority, youths who are growing up with minimal exposure to the work world. Many of these same youths have either dropped out of school or are at risk of doing so. These patterns threaten to severely undermine their aspirations for a positive work future.

Although the past decade has witnessed a number of efforts designed to help these youths find a place in the labor market, there have been some important gaps in the nation's overall approach to this problem. First, many such programs gave young people jobs, but failed to address their schooling; there was even the danger that, rather than reinforce their learning experience, some programs would draw youths away from school. Another consequence, too, was that the two institutions most intimately involved with the improvement of skills among young people -- the employment and training system and the schools -- were often given little reason to work together. Finally, these programs were usually not implemented on a scale sufficient to have a major impact on the youths' opportunities.

The Youth Incentive Entitlement Pilot Projects (YIEPP) provided an unusual occasion to learn about the feasibility and outcomes of a large, coherently defined program designed to link schooling and work. The

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MDRC is publishing simultaneously the full implementation and impact findings on the operational period of the Youth Incentive Entitlement Pilot Projects demonstration. This preface introduces both this implementation report and its companion volume, Impacts from the Youth Incentive Entitlement Pilot Projects: Participation, Work, and Schooling over the Full Program Period.

YIEPP demonstration introduced two major innovations: the program model itself -- where 16- to 19-year-old disadvantaged youths were offered a part-time job during the school year and a full-time job in the summer on the condition that they stay in school and meet academic and job-related performance standards -- and the scale of implementation, where the job offer was extended to all eligible youths in 17 designated demonstration areas. Over 76,000 youths joined and were given jobs during the full demonstration period.

In 1977, the Department of Labor's Office of Youth Programs contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct the research and oversee the operations of the YIEPP demonstration. Based on an agenda identified in the 1977 Youth Act, a large, four-part research program was designed to address: (1) the number of youths to participate from among those eligible and the program's short- and longer-run impacts on employment and schooling behavior; (2) the feasibility of the program model and other operational lessons; (3) the cost of the demonstration and its replication or expansion; and (4) a number of special issues, including the quality of work provided to the youths and the significant role of businesses in an unprecedented private sector job creation effort.

Reports issued to date have covered the initial period of program implementation, early impacts, and many special issues. The two reports published at this time summarize the implementation and impact lessons from the full 30-month demonstration period and provide cost data. A final report scheduled for 1983 will examine whether YIEPP had longer-term, post-program effects on the youths' educational and employment behavior.

The two current volumes contain significant findings about the YIEPP approach. Somewhat surprisingly, the implementation report indicates that the prime sponsors did not encounter major problems in meeting the difficult challenges of delivering on a job guarantee. What proved more troublesome was the enforcement of the school performance conditions, a responsibility shared with the school systems involved. However, despite start-up difficulties, the report suggests that the demonstration's overall record was one of significant managerial achievement.

Perhaps the most compelling part of the program's record, as seen in both of these reports, is its success in attracting black youths: they are seen joining YIEPP in greater numbers and staying in it longer than any other group. This finding is particularly significant in the context of the experience of the past 25 years, when there has been a consistent and dramatic decline in minority youth employment, particularly for males. Thus, while in 1955 black male youths were employed at the same rate as whites, by 1981 their employment rate had been cut in half, while that of white youths remained constant or improved. A similar, though somewhat less dramatic, story holds true for young minority women.

While these facts are clear, the explanation is not. Before the YIEPP demonstration, there had been relatively little evidence to help in sorting among the conflicting explanations of job shortages, discrimination, lack of motivation, unrealistic wage expectations, or the attraction of more profitable extra-legal alternatives. YIEPP, with its job guarantee, provided a unique, direct mechanism to test youths' interest in working. The striking finding in the impact study, where YIEPP is seen to double minority youths' school-year employment rates -- bringing them essentially equal to or exceeding those for white youths -- suggests that the prevailing low employment rate is not voluntary. YIEPP's impacts on school enrollment, while more modest, are also positive. While the program did not reverse declining enrollment as youths' progressed through high school, it slowed this down, through both reducing the drop-out rate and increasing the numbers of youths returning to school.

From the varied lessons in both reports, YIEPP emerges as a programmatic intervention that encourages school completion and the compilation of a work-history. Moreover, the program proved feasible to implement on an extremely large scale. The management record of the YIEPP prime sponsors is testament to the fact that large numbers of jobs can be developed to alleviate youth unemployment, and that these jobs can provide a meaningful work experience. Perhaps, most of all, YIEPP has shown that, when jobs are available, young people do want to work -- even at the minimum wage, and even while still continuing in school.

While a job guarantee as a solution to large-scale labor market weaknesses may not seem currently affordable, the lessons on the YIEPP model itself are of pointed relevance. The guarantee itself was not essential to the rest of the program model. YIEPP could be operated as a slot program while still retaining its other features; in fact, this occurred in a transition year immediately following the demonstration period. Much of the YIEPP experience should be of interest in view of the new Job Training Partnership Act, which reflects the country's continued focus on preparing youths for employment and on models that link school and work, demanding performance from the youths in exchange for a job. In short, these two reports provide many lessons that future planners of youth programs will find instructive.

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EXECUTIVE SUMMARY

The Youth Incentive Entitlement Pilot Projects demonstration (YIEPP) was a large-scale test of a school-conditioned, guaranteed jobs program for teenagers from low-income families. Authorized by the Youth Employment and Demonstration Projects Act of 1977, the demonstration was based, in part, on the theory that both school completion and work experience greatly enhance the employment prospects of teenagers. Therefore, unlike previous youth employment programs, it tied school and work together by offering jobs to all youths who met the eligibility criteria and also agreed to remain in or return to school.

The program's job guarantee was the nation's first. All 16- to 19-year-olds living in one of the program's 17 project areas, whose family incomes were at or below the poverty level or who came from families receiving welfare, were eligible to participate and receive jobs. The program tested the willingness of the private sector to help provide these jobs through the provision of full wage subsidies to participating firms, and created a further opportunity for program planners to examine whether and to what degree collaboration might emerge between the schools and local YIEPP prime sponsors through the school requirements of the program.

The demonstration began in February 1978 and ended full-scale operations in August 1980. During this period, over 76,000 youths were employed by YIEPP work sponsors at 17 project sites across the country, operated by competitively-selected CETA prime sponsors. Seven of the sites were large, encompassing all or large parts of cities or multi-county areas. These Tier I sites were expected to enroll from 3,000 to

9,000 youths at any one time, while the ten smaller Tier II sites anticipated average enrollments of from 140 to 800 youths.

This is the final report on the implementation of the program model and its feasibility, covering the 30-month demonstration span. It draws together findings from the earlier reports on implementation, from several special studies, and from the in-program impact findings on YIEPP's effects on the school enrollment and employment levels of the target population. In addition, as requested by Congress in the Youth Act, the report presents the final cost figures on the demonstration, as well as estimates on the costs of running a national program.

The analysis of feasibility focuses on the two main sets of tasks prime sponsors carried out in the implementation of the program, both representing a substantial challenge. One set centered on the delivery of the entitlement, especially the development of a sufficient number of jobs for the target population. Running an "entitlement," rather than a fixed slot program, meant that prime sponsors had to prepare for continuous job development to place the ongoing -- and often unpredictable -- flow of enrollees. Moreover, outreach was extensive since prime sponsors were expected to inform the eligible youths of their "right" to a program job.

The second cluster of tasks revolved around the enforcement of the program's basic eligibility requirements and its school performance and attendance standards, both of which required procedures that were new to prime sponsors and more rigorous than in previous programs. Prime sponsors were to check age, income, residence and school enrollment of youths at program entry, and to reverify all criteria periodically.

Simultaneously, they had to set up procedures to learn if the youths were meeting the attendance and performance standards of the schools. This task required the cooperation of the local school systems, institutions over which prime sponsors generally had little control. Additionally, for each set of tasks, both the quick start-up of the demonstration and the press of the numbers of entering youths caused a variety of problems that were particularly severe during the program's initial year. However, responsibilities that were at first novel and difficult became more routine for prime sponsors as the demonstration progressed.

The principal findings from this report on the YIEPP implementation are sumarized below:

Outreach and Enrollment of Eligible Youths

- Outreach efforts were generally successful in informing large numbers of eligible youths about the program's availability. According to survey results in four of the large Tier I sites, 91 percent of those eligible at the start of the program had heard about it by its conclusion.
- Participation rates were high. Fifty-six percent of the youths eligible at the beginning of the program had worked in a program job by the demonstration's end. Of those who heard of the program, four out of five applied to enroll, indicating that there was a great deal of interest among disadvantaged youths in obtaining minimum-wage jobs.
- Outreach was more effective for in-school youths than for drop-outs, and participation rates were also higher for in-school youths. Of those eligible youths already in school, 94 percent heard of the program and 63 percent participated. In comparison, 75 percent of the drop-outs heard about the program and 25 percent participated. In addition to being less accessible to outreach efforts, drop-out youths tended to be older, self-supporting, and heads of households and therefore would presumably have had less interest in minimum-wage jobs providing only part-time employment during most of the year.
- The participation rate for black youths (57 percent) after 18 months of program operations was substantially higher than that for white youths (17 percent), with the participation rate

for Hispanics (34 percent) falling in between the two. By the demonstration's end, black, Hispanic, and white participation rates were 63, 38, and 22 percent respectively. The difference between white and minority participation rates is probably explained by the greater opportunities available to non-Hispanic whites in the unsubsidized labor market.

- Participation rates also varied among sites because of differences in local labor markets and implementation strategies used for outreach, enrollment, and job assignment.

- Participation rates could have been even higher had prime sponsors not lost some youths in the process from application to job assignment, a problem that was especially severe during the first year of the demonstration at the large Tier I sites. By the demonstration's conclusion, however, 93 percent of those enrolled had received program jobs, although some youths were "lost" between application and enrollment.

Duration of Participation and Termination

- On average, youths participated in the program for a period of 41 weeks. Youths already enrolled in school averaged 42 weeks, (about 10 months), while returning drop-outs stayed 27 weeks, or about 6 months.

- Duration of participation varied with age. Younger eligibles stayed longer than older ones, a fact that is not surprising given their longer period of eligibility.

- Black youths participated for longer periods than whites, staying in the program about six weeks more. This difference -- like the higher participation rates for blacks -- is probably explained again by the relatively restricted opportunities for black youths in the unsubsidized labor market.

- Of those youths terminated during the demonstration, 32 percent left the program because of high school graduation, 18 percent resigned, 17 percent dropped out of school, 13 percent were terminated for poor job performance and attendance, 7 percent became ineligible for other reasons (age, income, and residence), 3 percent were terminated for violating school standards, and about 10 percent for a variety of other reasons.

- Reasons for termination varied sharply between youths already enrolled in school and former drop-outs. Of the terminated in-school youths, 35 percent left because they had graduated from high school compared to 11 percent of the drop-outs who had returned to school. Conversely, as compared to 13.3 percent of the in-school youths who were terminated because they dropped out of school, 46 percent of the drop-outs were terminated because they left school once again.

Job Development and Job Assignment

- Participating prime sponsors, on the whole, had a sufficient supply of jobs to keep up with the flow of new enrollees. Because of low labor demand, considerably more effort was required to develop jobs in rural areas such as Mississippi.

- Over 10,000 worksites were developed during the demonstration. Most of the jobs developed were typical entry-level youth jobs. The three largest categories were clerical (27 percent), building maintenance (26 percent), and community recreation aides (15 percent).

- The average number of youths assigned to a work sponsor was low, ranging from five per sponsor at public schools and other public agencies to fewer than two at private businesses.

- The quality of work in the demonstration was, on the whole, adequate or better, with some 86 percent of the worksites falling into this category. This assessment was based on such factors as whether or not the youths were kept busy, whether they were held to performance standards, whether there was relatively close and substantive supervision, whether the work was varied, and whether there was a low ratio of participants to supervisors.

The Role of the Private Sector

- The number of private sector worksites grew steadily over the course of the demonstration, and over half of all work sponsors were private businesses (55 percent or nearly 6,000 of the 10,000 work sponsors). The proportion of work hours provided by the private sector, which sponsored on average fewer youths per worksite, doubled from the first few months of the demonstration, when it was 10 percent, to the last full year, when it reached over 23 percent.

- The major incentive to private sector participation was the 100 percent wage subsidy initially offered to the business community everywhere but in Mississippi (where it was 75 percent). Another inducement to private sector participation was a centralized payroll maintained by the prime sponsor which minimized paperwork for work sponsors.

- Private sector participation was highly sensitive to the wage subsidy offered. A special wage subsidy variation experiment conducted in Detroit and Baltimore found that 18 percent of the employers offered the full subsidy agreed to sponsor a participant, compared to 10 percent at a 75 percent wage subsidy and 5 percent at a 50 percent wage subsidy. In other words, had the maximum subsidy been offered at the traditional CETA on-the-job training level of 50 percent, job developers would have had to contact almost four times as many private sector employers to recruit the same number of worksites as at full subsidy.

- A study of a large sample of worksites found no significant differences between the quality of work in the private, public, and private nonprofit sectors.

- Analysis revealed that there was a quality/worker displacement trade-off in the worksites. If youths were busy and engaged in productive work, there was greater likelihood that, if the YIEPP wage subsidy had not been offered, the work sponsor would have detailed a regular employee to do that work.

Monitoring and Enforcing Standards

- Because of its entitlement and school condition features, the YIEPP program guidelines demanded far more extensive eligibility and performance monitoring procedures than were required in other CETA programs. Monitoring requirements, indeed, bore a greater resemblance to those found in welfare programs.

- Procedurally, the checking of eligibility at enrollment went smoothly. However, a quality control study which independently verified youths' eligibility status at enrollment at three Tier I sites found varying rates of eligibility: 81.6 percent, 83.2 percent, and 53.8 percent. While income was the major cause of initial ineligibility, 40 percent of those ineligible would have been eligible under the alternative poverty standard of 70 percent of the Lower Living Standard. The site with the highest rate of ineligibility did not require, as did the other two, that youths submit an independent proof of parents' income level, clearly suggesting that similar programs ought to require such proof in the future.

- The quality control study showed that residence and income changes were not significant sources of later ineligibility. Periodic reverification of income and residency, which required considerable time and effort, did not prove worthwhile.

- Sites did not establish uniform requirements for attendance and performance at worksites, probably an infeasible task since some local projects had as many as 2,000 sponsors active at any given time. Employers held participants to their own criteria for attendance and behavior. Thirteen percent of all terminations were for poor job performance or attendance, a level high enough to indicate that project staff effectively acted on the recommendations of the work sponsors to terminate youths.

- For a variety of reasons, standards for school performance and attendance were difficult to establish and enforce. First, uniform standards generally did not exist within school systems; prime sponsors had to negotiate with schools individually to set them, and this was a time-consuming process in the demonstration's start-up period. When standards were put into effect, the administrative reporting chains within schools, and then between schools and prime sponsors (who enforced the standards), were lengthy and caused such lags between grade and attendance reporting and actual enforcement that prime sponsors were reluctant to take firm action. Finally, a reluctance to terminate disadvantaged youths was perceived among counselors, many of whom felt that these youths should not be deprived of income or forced to drop out of a program which might have represented a "last chance" for them.

- Prime sponsors' continuing efforts to enforce school standards did, however, give the program credibility among school officials, according to anecdotal evidence. Moreover, where enforcement did occur, as it did in several sites, it served important functions. Not only did it hold youths accountable for their school performance, it could be used to trigger remedial educational services when youths started to fall below standards.

School/Prime Sponsor Cooperation

- Despite delays in reporting students' grades and attendance, as noted above, schools were cooperative in making the information available to prime sponsors on as timely a basis as possible. The longest delays occurred at large sites, caused by the number of schools and students involved.

- Schools proved to be effective recruiters of their own students, but when given the responsibility, were not very active or interested in the recruitment of drop-outs.

- Many individual schools cooperated by providing credit for work. Rarely, however, did schools evaluate the jobs directly and it is questionable whether academic credit for work experience makes good sense for a population with serious basic skills deficiencies.

- Schools were also cooperative in providing flexible scheduling on an individual basis when youths needed it in order to work. Nevertheless, several factors precluded widespread and systematic flexible scheduling: class schedules had already been set in the previous academic year, new state requirements lengthened the academic day at several sites, and diminishing school resources limited the availability of duplicate classes.

- In several sites, school systems were program managers and generally ran YIEPP as effectively as did prime sponsors. Success was greatest in Tier II sites, where five small projects were managed by the schools. In the larger Tier I sites, where schools managed portions of YIEPP projects at three sites, the experience was more mixed.

- While schools' cooperation with prime sponsors steadily increased throughout the demonstration, there were few joint efforts to develop YIEPP-related curriculum. This confirms what other observors have noted: that in the absence of additional resources to implement changes, schools are slow to modify their educational strategies, especially in response to short-term program efforts such as YIEPP.

YIEPP's Cost

- Total operating costs of YIEP? were $224.3 million. Sixty-three percent of this sum went to participant wages.

- On average, prime sponsors provided 19 percent of the demonstration's operating costs through a variety of matching funds. The primary sources were other CETA programs, such as the Youth Employment and Training Program, the Summer Youth Employment Program, and Public Service Employment Program.

- There was no evidence of economies of scale, i.e., that larger projects were less expensive to operate on a unit cost basis than smaller ones.

- The cost per service year -- the cost of keeping one participant in the program for one year -- was estimated to be $4,382. Since not all participants stayed in the program for a year, the average cost per participant was $2,000 annually. For purposes of comparison, costs for the Youth Employment and Training Program, which provided formula funds to prime sponsors for a variety of different youth programs, were $1,570 for each participant and $4,167 per service year.

- The estimated annual cost of operating the program nationally for all eligible youths meeting the Office of Management and Budget family income poverty standard would be about $1.6 billion in 1980 dollars. If income eligibility were set at 70 percent of the Lower Living Standard of the Bureau of Labor Statistics (an alternative definition of economic disadvantage), the same cost would be about $1.85 billion.

- Assuming that coverage was extended only to eligible youths living in designated poverty areas, the costs would be $624 million and $729 million respectively, under the Office of Management and Budget standard and 70 percent of the Lower

> Living Standard. These estimates, it should be noted, are highly sensitive to assumptions about participation rates, the eligibility requirements and their enforcement, matching funds, and other variables.

In summary, the demonstration showed that selected prime sponsors could feasibly enroll large numbers of economically disadvantaged youths in a guaranteed jobs program and provide them with adequate or better work experience despite fairly demanding program constraints of time and scale.

Disadvantaged youths, in turn, were extremely interested in working, even with the school condition, as evidenced by their high application and participation rates. In-school youths, however, were more attracted to the YIEPP offer than drop-outs, as were blacks more than whites, and younger youths rather than older ones. The demonstration also indicated that the private sector would cooperate in providing large numbers of jobs to disadvantaged youths through the provision of a 100 percent wage subsidy, even though their participation was sensitive to the subsidy rate.

What proved to be less feasible was the enforcement of some of the eligibility and school performance standards. Although the requirement of school enrollment for youths participating in the program was well-monitored, the school performance standards were more difficult to establish and enforce on an ongoing basis. In sites where standards were enforced, anecdotal evidence suggests they helped hold youths accountable for school performance and to trigger remedial assistance to those students needing it.

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LINKING SCHOOL AND WORK FOR DISADVANTAGED YOUTHS

THE YIEPP DEMONSTRATION: FINAL IMPLEMENTATION REPORT

CHAPTER I

INTRODUCTION

The Youth Incentive Entitlement Pilot Projects demonstration (YIEPP) was created by Congress in 1977 to test the effectiveness of combining work and school in a program for disadvantaged youths to remedy the problems of high youth unemployment, low labor force participation, and excessive secondary school drop-out rates. YIEPP operated for two-and-one-half years -- from February 1, 1978 to August 31, 1980 -- in 17 communities across the country, with each project the responsibility of the local CETA prime sponsor. During this period, over 76,000 youths in the program attended school and were put to work at over 10,000 worksites in the private, public, and private nonprofit sectors.

YIEPP was structured as an entitlement program, guaranteeing jobs to all the interested, eligible youths residing in the demonstration areas: those aged 16 years through 19, who came from disadvantaged families with incomes at or below the poverty level (or receiving cash welfare). However, jobs were offered only on condition that these youths remained in, or returned to, school or another educational program which would lead to a high school diploma or its equivalent.

The program model was based on the belief that giving jobs to teenagers could only lead to part of the solution of the youth employment problem. School attendance and completion were considered at least equally critical to their ability to successfully compete for jobs in their later years. Existing research supports this belief. Those youths neither working nor attending school in their teenage years are the ones most likely to experience high rates of unemployment in later life.[1] YIEPP was an attempt to correct both sides of this employment problem.

As a demonstration in the employment and training area, YIEPP was important, and distinctive, for several reasons. First, YIEPP was the first youth employment program to test a serious school requirement, one with standards for both attendance and performance, as a condition of employment. Previous youth programming had focused on providing work to this age group without regard for the potential of negative educational consequences, such as a reduction in school attendance. While other programs created simultaneously with YIEPP also linked school and work, YIEPP was the only concerted effort to combine the two closely and evaluate the results.

Second, YIEPP was this nation's first opportunity to examine the implementation and implications of a job guarantee for a significant segment of the population. As a matter of social policy, the concept of a guaranteed job has been debated since the Full Employment Act of 1946, centering on the question of whether the government is obliged to provide work to its citizens when other employment is unavailable. An employment guarantee was one of the original provisions of the Humphrey-Hawkins full employment legislation, although it was deleted prior to the bill's passage.

More recently, a job guarantee of a different sort has been debated in connection with new efforts to provide employment to "able-bodied" welfare recipients who are unable -- some say unwilling -- to find work on their own. A jobs component was, in fact, included in the Carter Administration's welfare reform proposals to Congress in 1977 (The Program for Better Jobs and Income) and has more recently found expression in the Reagan Administration's "workfare" amendments to welfare legislation. Among the questions perennially raised in these policy debates are whether the government can feasibly provide jobs for all eligible individuals, what it would cost, and what effects these jobs would have on the subsequent employment of those receiving them. Similar questions were posed in the YIEPP program.

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[1] Wayne Stevenson, "The Relationship Between Youth Employment and Future Employability and Earnings,"in Naomi Berger Davidson, Ed., Supplementary Papers from the Conference on Youth Employment: Its Measure and Meaning, Washington, D.C.: U.S. Department of Labor, Employment and Training Administration, Office of Youth Programs, October 1978.

A third, and unique, YIEPP feature was the inclusion of private sector employment. YIEPP was the first attempt to incorporate the private sector, to any significant degree, in a CETA youth work experience program. The law creating YIEPP stipulated that prime sponsors could subsidize virtually all of an employer's wage costs during a youth's participation.[1] (This was later modified by program regulations to require a subsidy reduction when youths proved themselves reliable workers.)

Finally, the demonstration was an opportunity to create or strengthen links between the CETA prime sponsors and local school systems. A school-prime sponsor link has, in recent years, been of great interest to policymakers concerned with the issues of youth employment and training.

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[1] This 100 percent subsidy differed from traditional CETA on-the-job training for adults, which subsidized wages in the private sector up to 50 percent for no more than six months.

The difficulty has been in finding some way for these two very distinct institutions to cooperate in the schooling, training, and employment of large segments of the school-age population. With a model combining school and work, YIEPP offered the potential for that local collaboration to begin.

The Background

The Youth Employment and Demonstration Projects Act of 1977 (YEDPA) initiated a national effort to deal with the problems of youth employment, especially among minority teenagers. Youth unemployment had, by 1976, reached troubling proportions; the overall unemployment rate for 16- to 19-year-olds stood at 19 percent, with 37 percent of the nonwhites in this age group out of work.[1] The situation for black youths was particularly acute. Their position in the labor market had declined precipitously since the 1950s, both in absolute terms and relative to white teenagers.[2]

In response to this crisis, Congress, in the Youth Act, created several new programs. One, a Young Adult Conservation Corps, was modeled on the Civilian Conservation Corps of the New Deal, and put unemployed 16- to 23-year-olds to work in national parks and forests. Three others, to be operated by state and local prime sponsors, were demonstrations designed to prepare youths to be more successful participants in the labor market. More generally, these demonstrations sought to acquire knowledge on possible solutions to youth unemployment. In addition to YIEPP, these demonstrations included the Youth Community Conservation and Improvement Program (YCCIP), providing work to unemployed 16- to 19-year-olds in urban community improvement programs, and the Youth Employment and Training Program (YETP), funding a variety of local employment and training activities for disadvantaged youths aged 14 to 21. The Act also authorized the Secretary of Labor to implement a large number of discretionary pilot programs to further test other approaches.

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[1] U.S. Congressional Budget Office, Youth Unemployment: The Outlook and Some Policy Strategies, March 1978, Table 3A-3, p. 39.

[2] See, for example, Paul Osterman, "The Employment Problems of Black Youth: A Review of the Evidence and Some Policy Suggestions," in Expanding Employment Opportunities for Disadvantaged Youth: Sponsored Research, Special Report No. 37, Washington, D.C.: National Commission for Employment Policy, December 1979, pp. 85-132.

The emphasis on testing and learning, a major theme of the Youth Act, reflected the lack of policy-relevant knowledge in this area. Congress was thus very specific in its information request for the YIEPP demonstration. The Secretary of Labor was to submit findings on:

> "(1) the number of youths enrolled at the time of the report;
>
> (2) the cost of providing employment opportunities to such youths;
>
> (3) the degree to which such employment opportunities have caused out-of-school youths to return to school or others to remain in school;
>
> (4) the number of youths provided employment in relation to the total which might have been eligible;
>
> (5) the kinds of jobs provided such youths and a description of the employers -- public or private -- providing such employment;
>
> (6) the degree to which on-the-job or apprenticeship training has been offered as part of the employment;
>
> (7) the estimated cost of such a program if it were to be extended to all areas;
>
> (8) the effect such employment opportunities have had on reducing youth unemployment in the areas of prime sponsors operating the project; and

(9) the impact of job opportunities provided under the project on other job opportunities for youths in the area."[1]

The Program Model

The Department of Labor, which had overall responsibility for the implementation of the Youth Act, requested that the Manpower Demonstration Research Corporation (MDRC) help it design the demonstration, oversee program operations, and conduct a large-scale research program to respond to the Youth Act's list of issues. MDRC is a private, nonprofit corporation which manages, designs and carries out research on demonstrations and programs dealing with the problems of the economically disadvantaged.

In planning the YIEPP program model, the Department of Labor and MDRC built on a number of program features already specified in the legislation,[2] among them: the eligibility requirements; the basic schooling condition (which included a requirement for attendance and academic standards); wage subsidies to the private sector (up to 100 percent); the number of hours of employment (20 hours, on average, part-time during the school year, and no more than 40 hours in the full-time, summer periods); and the wage rate (the higher of the federal or state minimum wage, or the prevailing wage of the occupation). Like most authorizing legislation, however, the Youth Act left many details of project operation for definition in the program regulations.

---

[1] U.S. Congress, Comprehensive Employment and Training Act Amendments of 1978 (PL95-524), Title IV, part A, Sec. 411. The Youth Act amended the Comprehensive Employment and Training Act of 1973 which was reauthorized in 1978.

[2] In fact, the Youth Act was unusual in its level of specificity on particular features of the YIEPP program.

Setting program regulations, or the rules of operation, involved a number of considerations for the Department of Labor and MDRC. The central question was how to operationalize the job guarantee, and how do so with a program model that prime sponsors could reasonably expect to implement effectively. At the same time, program planners wanted to make certain that the eligibility requirements and the school condition were well-disciplined in the local projects.

First, in creating a job entitlement program, Labor and MDRC borrowed from the experience of income entitlements such as Aid to Families with Dependent Children (AFDC). The model which resulted, in terms of operational requirements, was one that joined elements of a youth employment program to the practices of welfare programs. For example, as in income entitlements, the program guidelines allowed youths open access to participation as long as they were eligible: they did not restrict entry to a particular point in time, nor was a specific limit placed on participation.

An equally critical aspect of the model -- also based on the experience of income entitlement programs -- was the specification of fairly strict eligibility standards and monitoring requirements to ensure, to the extent possible, that only eligible youths received the job guarantee. This was especially important to keep YIEPP's costs within bounds, since at the local level the participation of ineligibles could rapidly inflate expenditures. Income, residency, age, and school enrollment of the youths were to be checked at program entry with back-up documentation. Income and residency were to be monitored periodically; age monitored to remove youths turning 20. Youths no longer eligible for the program -- either because of age, residency or change in family income -- were to be terminated as long as they had worked the minimum job guarantee: eight weeks of full-time work or six months of a part-time job.

As discussed more fully in Chapter II and throughout this report, these features posed the major operational challenges to the participating CETA prime sponsors. Other parts of the program model, as defined by the regulations, stemmed from the research and demonstration aspects of the program. To assure a clear focus of responsibility for reporting purposes, a single local agency -- either the prime sponsor or its designee -- was to be assigned the overall management of the project, and each prime sponsor was required to set up a central payroll for participating youths to ensure that wage data were centrally stored and accessible for timely reporting. The guidelines also emphasized that wages should not normally exceed the federal minimum in order that large numbers of youths could be served within existing funding levels. The use of YIEPP funds for training, or other support services, was discouraged so that the demonstration would be a clear test of the job development ability of prime sponsors in an entitlement program.

These and the other major features of the demonstration are summarized in Chart I-1.

The Sites

To operate the YIEPP project, the Youth Act had directed the Secretary of Labor to select prime sponsors with different socio-economic, regional, and other circumstances in order to test the efficacy of the program under a variety of local conditions. The Department of

CHART I-1

SUMMARY OF MAJOR FEATURES OF THE YOUTH ENTITLEMENT DEMONSTRATION

Key Features	• A guaranteed job to teenagers from poverty families who return to, or remain in high school or a program leading to a general equivalency diploma. Minimum entitlement to include six months part-time work or eight weeks full-time work. • Creation of 17 demonstration projects selected for economic and regional diversity, and divided into seven Tier I projects testing large-scale saturation and ten small-scale Tier II projects to test the implementation of YIEPP with special features (such as additional counseling); all to be operated by CETA prime sponsors. • Extensive research requirements to test the impact, feasibility, and costs of Entitlement, as specified by Congress.
Objectives	• Increase school participation of drop-outs and youths in school, to enhance their opportunity to obtain a high school or equivalency diploma. • Provide a work experience that would enhance the future employability of participants. • Create large numbers of jobs to help reduce teenage unemployment.
Eligible Target Population	• Youths who are: --- 16 to 19 years old, --- economically disadvantaged, from families receiving cash welfare or with income at or below OMB poverty guidelines. --- residing in designated project Entitlement areas, --- enrolled in school.
Eligibility Monitoring	• Initial verification to include: --- birth certificate, passport, baptismal certificate, or naturalization paper for age; --- parent-signed income statement or proof of welfare status at least 30 days prior to enrollment; --- residency statement supported by rent receipt, utility bill, or landlord statement showing residency in Entitlement area at least 30 days prior to enrollment; --- signed statement by school official or enrollment lists indicating youth currently enrolled in school program or one to begin within 30 days of program enrollment. • Reverification of income and residency to occur seven to twelve months after initial enrollment. Youths who turned 20 or graduated and have received minimum "entitlement" of six-months part-time or eight weeks full-time employment to be terminated, with prior warning, upon birthdate or graduation. • Ongoing school attendance and performance to be verified monthly according to locally-established standards. • Termination and grievance procedures to be established by prime sponsors.

CHART I-1 (Continued)

The Jobs	• Sufficient jobs for all eligibles to claim their entitlement. • Jobs to provide "meaningful" work, not "make" work, and must be monitorable. • Jobs to be located within or in close proximity to Entitlement area. • Public, private non-profit, and private for-profit worksites allowed, with private sector participation encouraged by a wage subsidy of up to 100 percent. • Jobs to provide for no less than 10 hours a week nor more than 20 hours for part-time, school-year work; no more than 40 hours a week for full-time, summer employment. • Displacement and substitution of regular employees is prohibited. • Work performance and attendance standards for youths to be established by worksites and prime sponsors. • Training allowable but to be directly related to work assignment and kept to a minimum.
Wage Levels	• Federal minimum to pertain except where prevailing or negotiated wage required by federal laws and regulations.
School Programs	• Must lead to a high school diploma or general equivalency certificate. • Must provide monthly reports that participating youths are meeting the school's minimum performance and attendance standards as established by the schools.
Entitlement Areas	• Each to be a discrete geographic area with a single set of boundaries and to coincide with school district boundaries, if possible.
Administrative Arrangements	• Single agency, either prime sponsor or its designated management agent, to be responsible for program operations. • One central single payroll to be utilized for each project.

Labor chose to use a competitive process for site selection, open to all prime sponsors. The final 17 prime sponsors were picked from a total of 153 applicants on the basis of the quality of their proposals, on-site reviews, regional variety, different labor market characteristics, rural/urban characteristics, and different mixes of ethnicity among the eligible populations.

Site selection was further governed by a two-tier strategy, established by the Department of Labor, to test the YIEPP concept in both large-scale saturation projects and in smaller ones, where different service approaches and innovations could be more feasibly mounted. This two-tier strategy additionally allowed a larger number of projects to be implemented within the limits of the resources allocated for the demonstration.

Table I-1 summarizes the characteristics of the sites, which were selected in January 1978. With only a few exceptions, the projects commenced operations in March of that year.

The Research Design

Based on the information requested in the Youth Act, and on a Knowledge Development Plan issued by the Department of Labor's Youth Office to guide research on the different youth programs created by the Act, MDRC designed a four-part research program to address a variety of questions and issues raised by the demonstration. These included:

> **Issues of Impact and Effectiveness:** How many youths will participate in the program from among those eligible (the participation rate)? What will their characteristics be? What effect, if any, will the program have on school enrollment, drop-out rates, and youth employment? What are the program's long-term effects on school and work among the target population?

TABLE I-1

SUMMARY CHARACTERISTICS OF SITES SELECTED FOR PARTICIPATION IN THE YOUTH ENTITLEMENT DEMONSTRATION

Site	Region	Entitlement Area	Unemployment Rate	Racial Composition of Entitlement Area			
				White	Non-white	Hispanic[d]	(year)
TIER I							
Baltimore	III	Four complete high school zones and part of a fifth, encompassing 1/3 of the city	10.3% (1976)[a]	15%	85%		(1977)
Boston	I	Four school districts; parts of Dorchester, Roxbury, South Boston, Mattapan, Hyde Park, Central Boston, Charlestown	9.8% (1977)	77%	22%	1%	(1970)
Cincinnati	V	Entire city	7.0% (1977)	72%	28%		(1970)
Denver	VIII	Entire city	6.9% (1976)	91%	9%	17%	(1977)
Detroit	V	Attendance zones of five high schools	13.1% (1977)	30%	70%		(1977)
King-Snohomish	X	King and Snohomish counties, including the city of Seattle	6.7% (1977)	90%	10%		(1977)
Mississippi	IV	Nineteen rural counties located in a belt across the state between the city of Jackson and the Gulf of Mexico	4.2% (1977)[c]	60%	40%		(1975)
TIER II							
Alachua	IV	Two school districts encompassing urban and rural areas	4.5% (1977)[b]	69%	31%		(1970)
Albuquerque	VI	One high school attendance district	9.8% (1976)[b]	90%	10%	54%	(1970)
Berkeley	IX	Entire city	14.6% (1976)	63%	37%	7%	(1978)
Dayton	V	One census tract in the city	10% (1977)	1%	99%		(1977)
Hillsborough	I	Entire city of Nashua	5% (1978)	99%	1%		(1978)
Monterey	IX	One school district in a preponderantly rural area	6.7% (1978)	85%	15%	69%	(1978)
New York	II	Part of one school district in Brooklyn	10.8% (1975)[b]	40%	60%	6%	(1970)
Philadelphia	III	One census tract in North Philadelphia	9.7% (1977)	16%	84%		(1978)
Steuben	II	Seven school districts in rural Steuben County, New York	8.1% (1976)	99%	1%		(1976)
Syracuse	II	Entire city	8.6% (1977)	85%	15%		(1978)

SOURCE: Data in this table were provided by each site in the Pre-Application proposals submitted for participation in the Entitlement Demonstration.

NOTES: Unemployment rates and racial composition figures were not consistently defined in the proposals. Unless otherwise indicated, unemployment rates relate to the Prime Sponsor area.

[a] Rates shown are for the city.

[b] Rates shown are for the Standard Metropolitan Statistical Area (SMSA).

[c] Rates shown are for the state.

[d] Hispanic populations are also included in the white/non-white percentages.

Issues of Implementation: Can prime sponsors deliver on the guaranteed job? Can they enforce the eligibility and school performance requirements? What is the role of the private sector in the program and to what degree will private firms be willing to provide program worksites? To what degree are schools and prime sponsors able to carry out the program's basic requirements and will the program engender other forms of cooperation between them?

Issues of Cost: How much will it cost to implement the program, particularly in light of its entitlement characteristics? What would it cost to run the program for all those eligible nationally?

Special Issues: What is the quality of the work provided to youths, particularly in light of the Youth Act's prohibition against "make-work"?[1] What are the program's displacement effects on the employment of non-participants? What do the youths who participate in the program think of it? How well, and with what effect, can special program "enrichments" be implemented at the sites?

MDRC is reporting on these issues in a series of studies, either published or forthcoming. (See the publications list at the completion of this report.) This report is the last in a series on the implementation of the YIEPP projects[2] and provides a final statement on the implementation and cost issues specified above.

The impact research is being carried out, under MDRC's direction, by Abt Associates of Cambridge, Massachusetts. Four of the 17 sites containing over half of all participants in the demonstration were chosen for the impact study sites: Baltimore, Maryland; Cincinnati, Ohio; Denver, Colorado; and eight rural counties in Mississippi. These YIEPP sites were matched to four control sites with similar labor market and socioeconomic characteristics as follows: Baltimore - Cleveland, Ohio; Cincinnati - Louisville, Kentucky; Denver - Phoenix, Arizona; and for the Mississippi counties, four other nearby counties. The net program impacts on the schooling and the work behavior of participating youths will be estimated by comparing outcomes of the eligible youths at the four pilot sites with those of eligible youths at the matched control sites, where no YIEPP projects were in operation. Differences in outcomes, if they occur, can be attributed to the program, while controlling statistically for other factors that might affect the pilot-to-control-site comparisons. The participation rate is estimated by observing the number of eligibles at the pilot sites who join the program.

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[1] The Youth Act took special care to prohibit "make-work" for the youths and to encourage "opportunities to earn and learn that will lead to meaningful employment opportunites after they have completed the program." U.S. Congress, *Youth Employment and Demonstrations Project Act of 1977*, Title II.

[2] MDRC, *The Youth Entitlement Demonstration Program: A Summary Report on the Start-up Period*, New York: MDRC, January 1979; Joseph Ball, William Diaz, Joan Lieman, Sheila Mandel, Kenneth McNutt, *The Youth Entitlement Demonstration: An Interim Report on Program Implementation*, New York: MDRC, April 1979; William A. Diaz, Joseph Ball, Nancy Jacobs, Loren Solnick, Albert Widman, *The Youth Entitlement Demonstration: Second Interim Report on Program Implementation*, New York: MDRC, March 1980. Because the latter two interim reports are referred to throughout the body of this report, for purposes of convenience, they will be referred to as the *First Implementation* and *Second Implementation Reports*.

The principal data source for these impact studies is a series of longitudinal interviews with a large, stratified random sample of over 6,500 eligible youths and their parents at the eight pilot and control sites.[1] Preliminary in-program impact findings have been positive and will be discussed in the appropriate sections of this report. The final results will be available in 1983.

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[1] Four waves of interviews have been completed. The first was conducted in the spring of 1978 and established the characteristics of the sample. These were reported in Suzanne Barclay, Christine Bottom, George Farkas, Ernst W. Stromsdorfer, and Randall J. Olsen, Schooling and Work Among Youths From Low-Income Households, New York: MDRC, May 1979. The second, completed in the fall of 1979, provided data on participation rates, and on the initial impact of the program on employment, return to school, and school drop-out rates. These findings are reported in George Farkas, D. Alton Smith, Ernst W. Stromsdorfer, Christine Bottom, and Randall J. Olsen, Early Impacts From the Youth Entitlement Demonstration: Participation, Work, and Schooling, New York: MDRC, November 1980. Results from a third survey completed in the fall of 1980 providing final data on in-program impact findings are contained in George Farkas, D.

While this report will draw on impact data, particularly on participation and its determinants, the implementation research -- conducted by MDRC staff and consultants -- has relied primarily on a variety of other sources. Extensive observational data were collected at all 17 sites on an ongoing basis by MDRC research and operational field staff, which included full-time, on-site observers at each of the seven large Tier I sites. This local field staff chronicled the implementation process on a bi-weekly basis. Regular operations staff also visited the 17 sites on a monthly basis, and in addition to other documentation, they completed a series of special structured reports on critical aspects of program operations.

Additional data on the operational decisions made by local staff, and other local forces shaping the individual Tier I projects, were gathered through three waves of in-depth field interviews. Researchers spent a week, once a year, at each Tier I site talking to key staff and other individuals knowledgeable about the project (city government officials, vocational educators, and other school officials).

A third source of data has been the Entitlement Information System (EIS), an extensive statistical data base managed by MDRC. Computer data

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Alton Smith, Ernst W. Stromsdorfer, Gail Trask and Robert Jerrett III, Impacts from the Youth Incentive Entitlement Pilot Projects: Participation, Work and Schooling over the Full Program Period, New York: MDRC, December 1982 (referred to hereafter as the Second Impact Report). A report on the final survey, carried out in the fall of 1981, and including data on post-program impacts will be published in 1983.

files on the nearly 82,000 enrollees cover each individual from the point of his or her enrollment through to termination from the program. Information on the more than 10,000 work sponsors which employed youths was also collected and stored. Cost data have come primarily from monthly site financial reports, monitored regularly by MDRC. Finally, a variety of other data sources have informed some special issues, such as the quality of work and the participation of the private sector. These are specified in the sections of this report which discuss those studies.

The Plan of this Report

Chapter II sets forth the major operational tasks that YIEPP prime sponsors undertook in carrying out the program model and describes the variety of conditions that could enhance or impede smooth implementation. Chapter III analyzes the participation results -- participation rates, the characteristics of participants, and the patterns of outreach, recruitment, enrollment, and final terminations. It also explores the determinants of these outcomes.

Chapter IV turns to job development issues and presents, as well, the findings on the special studies of the quality of work and private sector participation in the demonstration. Chapter V focuses on the school linkage in YIEPP, particularly the enforcement of the school performance and attendance requirements. It examines, in addition, other roles the schools assumed in project implementation. Chapter VI reports on project costs during the demonstration, also providing projections for the costs of continuing or extending YIEPP as a national program. Chapter VII concludes with final observations on the issue of the program's feasibility and on the demonstration's larger lessons for youth employment programming in general.

Throughout the text, additional reports are mentioned which discuss topics in detail. Readers are invited to consult these documents to learn more about the YIEPP experience.

CHAPTER II

IMPLEMENTATION TASKS FACING YIEPP PRIME SPONSORS

Since this report discusses the implementation experience of the 17 YIEPP projects, this chapter will, in effect, set the stage for the discussions that follow. Specifically, it spells out the tasks prime sponsors had to master in order to fulfill the YIEPP job guarantee and to condition program eligibility on school and work behavior and a number of other criteria. Succeeding chapters will consider these tasks in more detail, but for the purposes of clarity, they are grouped here into two clusters. Discussion focuses on the degree to which prime sponsors had prior experience in carrying out these or similar clusters of tasks, and other kinds of factors which could facilitate or constrain the program's implementation.

Two Major Clusters of Implementation Tasks: Getting Youths to Jobs and Enforcing Eligibility Conditions

The key features of YIEPP which distinguished it from other programs established by the Youth Act defined two principal clusters of tasks: (1) the implementation of the job guarantee and (2) the enforcement of the eligibility and performance requirements.

As a job guarantee, YIEPP's implementation meant open enrollment; the challenge of projecting likely enrollment levels; continuous job development to keep up with the flow of applicant eligibles; and the assurance of sufficient local educational capacity, particularly for the returning drop-outs. The strict eligibility criteria set up for program entrance, and the subsequent, required monitoring meant another set of tasks for the prime sponsors, all the more intensified and complicated by the monitoring and enforcement of school standards. While each cluster was a distinct set of operational tasks, each was dependent on the other if the program model was to be clearly and consistently carried out for participants.

Not all the requisite operating tasks were equally familiar to prime sponsors. Some had been used before, or were quite similar to the operating routines of previous employment and training programs. Others were, however, a relatively new challenge to CETA prime sponsors, sufficiently different from, or more rigorously defined than, earlier practices.

Setting up cooperative relationships was another challenge for prime sponsors. Depending on the service delivery choice taken in the planning stage, the prime sponsors had to elicit the help of a number of other organizations or individuals in the community. The program design specified some degree of cooperation from certain agencies, such as schools or community based organizations, but there was a wide range of possibilities beyond the minimal level of involvement. The degree to which the different YIEPP prime sponsors had already established working relationships with such community actors as the schools, other city agencies, community based organizations, and the private business community varied, and this was likely to affect the ease with which they could elicit cooperative participation.

There were broader factors at work as well in each community which affected both the ability of YIEPP prime sponsors to implement specific procedures and the priority which they gave, more generally, to the program. Site labor markets differed, and could affect the relative attractiveness of the YIEPP job offer to eligible youths and the capacity of prime sponsors to develop sufficient subsidized work experience positions. The relationship of federal manpower programming -- and more specifically, youth programming -- to the policy or political agendas of mayors or city managers could also vary. These and more general factors are considered below.

Recruitment, Job Development and Assignment: Implementation Issues in Finding and Getting Youths to Jobs

It is probably fair to say that one of the more familiar sequences of tasks which prime sponsors had in their repertoire by early 1978 was the enrollment of individuals into CETA programs and their assignment to subsidized jobs or work experience (although the YIEPP program would require the adaptation of prior experience to some new requirements). The enactment of the Comprehensive Employment and Training Act in December 1973 saw the bringing together of two major policy thrusts. First, and most publicized at the time, CETA consolidated 18 or more separate categorical training and employment projects targeted to different groups and involving different program services, and decentralized responsibility for service and client mix to states and units of local or county government.

This block grant, part of the Nixon Administration's "New Federalism" strategy, was fairly quickly eclipsed by the other major feature of CETA, the Public Service Employment program (PSE), which authorized local governments to create jobs for the structurally unemployed in public and nonprofit agencies. Starting as a relatively small program under CETA, the program was expanded as a counter-cyclical employment strategy in 1974, 1976, and again at the beginning of the Carter Administration in early 1977. This necessitated large-scale recruitment and job development efforts on the part of prime sponsors.

Another program also requiring intensive recruitment and job development activities was the annual Summer Youth Employment Program, in which large numbers of youths were enrolled at the beginning of the summer for assignment to 8- to 10-week summer jobs with public and nonprofit agencies. YIEPP implementation borrowed some features from each of these employment efforts, but included some which were common to neither.

Common to all three was the major enrollment effort in a compressed time period. Funding allocations came to these programs with short advance notice before the beginning of enrollment. Recruitment drives would attract large numbers of applicants whose age, income, welfare status, or other relevant eligibility criteria would have to be documented. YIEPP's open enrollment and the stringency of its eligibility certification would make recruitment and eligibility certification all the more arduous in this new program.

PSE enrollment, like YIEPP, often extended over a period of time, although never as long as the 30-month span of open enrollment in the YIEPP demonstration. Unlike YIEPP, PSE had targets for enrollment and job slots, fixed by the amount of funds allocated by formula to the community. In the assignment of PSE participants, slots were typically allocated among municipal agencies (and increasingly to nonprofit ones after the 1978 CETA amendments). Because these were full-time positions for adults -- paying wages usually above the federal minimum -- prime sponsors generally had little difficulty making placements.

Summer employment programs had certain different operating procedures, involving one-shot enrollment and job assignment periods for temporary full-time work. In contrast, YIEPP participants were entitled to work both full-time in summer jobs and part-time during the school year. Prime sponsors would thus have to recruit year-round work sponsors or develop banks of new employers for each summer and school year. Compounding the complexity of the YIEPP model was the possibility for participants to request job transfers and to move in and out of active status (to take time off for sports, for example, or to concentrate on school work).

In all three programs, there was a premium on assigning enrollees to their jobs quickly. In the summer program, participants needed to work the number of weeks which that year's funds permitted. In PSE, the major growth periods were connected with counter-cyclical fiscal policy, where the Administration and Congress encouraged rapid start-up in order to affect aggregate economic conditions. The impetus for rapid YIEPP job assignment shared some of these political considerations; the Administration had committed itself to addressing the severe problems of youth employment through the Youth Act. YIEPP's design also implicitly mandated timely job assignment since the jobs were statutorily guaranteed to all eligible youths.

A notable difference from past experience lay in YIEPP's authorization to assign participants to the private sector, with minimum wages subsidized at any level up to 100 percent. Prime sponsors had not, to a large extent, worked with the private sector in the earlier CETA years.

Apart from some small-scale ventures for older youths, private sector placements had been limited to on-the-job adult training (OJT) projects, which were not widely used by many prime sponsors and, in the aggregate, provided training for fewer than 15 percent of CETA enrollees.

Not all YIEPP sponsors made an initial strategic choice to recruit the private sector. Those who did shared a certain defensive apprehension, believing that businesses would have little patience with the local manpower agency, its paperwork, or with disadvantaged youths. All but one YIEPP sponsor consequently chose to offer the full subsidy, hoping this would minimize dissatisfaction and maximize participation. As it developed, businesses were reasonably cooperative about employing youths, but new ground was being tested for both sides.

Finally, both scale and open enrollment made a difference. Many prime sponsors were under the initial impression that YIEPP was "like the Summer Youth Employment Program, only year-round." Those prime sponsors with large local programs became aware, in the early months, that this assumption was not valid. As Chapter I has indicated, there were major differences in the sizes of the tiers, and most prime sponsors for Tier I sites, with large numbers to enroll and a heavy job development effort ahead, soon realized the challenge that this new program posed for them.

Implementation Issues in Monitoring and Enforcing Eligibility Requirements

YIEPP prime sponsors had few precedents as they faced the implementation of the second major set of program tasks: monitoring of participant eligibility, both at enrollment and on a continuing basis. Checking on the eligibility criteria at enrollment was the most familiar task to them. In the PSE program, applicants under Titles II and VI had to be unemployed for some specified period before enrollment.[1] Under Title II, priority also was given to particular groups, such as welfare recipients. The summer youth program had both age and family income requirements.

Previous experience was not instructive, however, in the range of eligibility criteria and in the specificity of documentation needed in YIEPP for proof of eligibility, as shown in Chart II-1. Whereas prime sponsors had generally been held harmless from audit exceptions if participants had signed statements (and for youths, their parents' statements) that specified criteria had been met, YIEPP required such documents as proof of residence (rent receipts, utility bills), and parents' income statements or proof of cash welfare status. Participants also had to present some proof of age, and program staff were required to verify enrollment in a high school or an equivalency program. The level of required documentation in YIEPP was therefore substantially greater than in previous CETA programs.

Another major difference was the requirement that each enrollee's residence and family income status be reverified annually, and that youths be terminated from participation if they no longer met these requirements or had turned age 20. Certification of continuing eligibility was a completely new procedure for prime sponsors.[2]

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[1] After the 1978 amendments, these became Titles IID and VI.

[2] However, in 1978, amendments to CETA set specific limits on the number of weeks individuals could remain in programs authorized by the Act's various titles, thereby requiring prime sponsors to monitor length of participation.

CHART II-1

ELIGIBILITY CRITERIA FOR PARTICIPATION IN THE YOUTH ENTITLEMENT DEMONSTRATION

	RESIDENCY	CITIZENSHIP	AGE	SCHOOL ENROLLMENT	SCHOOL ATTEND./PERF.	ECONOMIC DISADVANTAGE	APPROVED PARTICIPATION BY JUVENILE/CRIMINAL JUSTICE AUTHORITIES (where applicable)
INITIAL ENROLLMENT & RE-ENTRY	Definition: Residency in Entitlement area - current & for 30 days preceding enrollment (newly-discharged veterans excepted). Documented Evidence: Receipt evidence and/or Residency Statement or approved affidavit. File Documentation: Eligibility Checklist, plus Residency Statement or approval affidavit.	Definition: U.S. citizen or Permanent Resident Alien or Refugee. Documented Evidence: Visual inspection of passport, birth certificate, voter registration, naturalization paper, Green card, or Refugee card. File Documentation: Eligibility Checklist.	Definition: 16-19 years of age (unless exception stated in grant). Documented Evidence: Visual inspection of passport, birth certificate, baptismal certificate, driver's license, or school verification of age. File Documentation: Eligibility Checklist.	Definition: Enrolled in high school or program leading to high school diploma or GED. Documented Evidence: School Enrollment Statement or official school roster. File Documentation: Eligibility Checklist, plus School Enrollment Statement or school roster.	Not Applicable	Definition: Member of a family receiving cash welfare or a family with income at or below the poverty level. Documented Evidence: Evidence of welfare receipt and/or Income Statement Part A or Part B. File Documentation: Eligibility Checklist, plus Income Statement.	Definition: Approval granted by appropriate authority. Documented Evidence: Written statement of approval. File Documentation: Approval statement.
MAINTAINING ELIGIBILITY	Definition: (same as above) Frequency: 7-12 months after initial enrollment, and yearly thereafter. Documented Evidence: (same as above, updated at the time of re-verification) File Documentation: Eligibility Checklist, plus Residency Statement or approval affidavit.	Not Applicable	Definition: Under 20 years of age, or 20 years old and completing minimum Entitlement guarantee. Frequency: Ongoing. Documented Evidence: None. File Documentation: If 20 years old, letter indicating end of minimum guarantee.	Definition: Continued enrollment. Frequency: Ongoing. Documented Evidence: Monthly school statement. File Documentation: Monthly school statement.	Definition: Meeting minimum attendance and performance standards (as defined locally). Frequency: Monthly. Documented Evidence: Monthly school statement. File Documentation: Monthly school statement.	Definition: (same as above) Frequency: 7-12 months after initial enrollment, and yearly thereafter. Documented Evidence: (same as above, updated at the time of re-verification) File Documentation: Eligibility Checklist, plus Income Statement.	Definition: Continued approval. Frequency: Ongoing. Documented Evidence: Absence of letter rescinding approval. File Documentation: None.

*** Standardized documents for initial certification and for re-verification of eligibility were provided by MDRC: an Eligibility Checklist (MDRCYE-01), a Residency Statement (MDRCYE-02), an Income Statement (MDRCYE-03), and a School Enrollment Statement (MDRCYE-04). The Eligibility Checklist and Income Statement were required to be used. The Residency Statement and School Enrollment Statement could be replaced with other documents, with the prior approval of MDRC.

Of the two other conditions of continuing eligibility, one was fairly standard. All YIEPP work sponsors had to set "monitorable attendance and productivity standards," a condition common to work experience and public job creation programs; most authorizing legislation additionally forbids both "make-work" and the displacement of other workers by subsidized participants. In PSE, however, participants, in effect, went on each sponsoring agency's payroll, and were supervised according to that agency's standards. In the summer program, monitoring was not always practiced systematically since youths worked typically for less than a two-month period.[1]

The requirement that YIEPP prime sponsors monitor youth attendance and performance at the job site on a year-round basis was potentially a substantial effort, with real questions about feasibility. Was it realistic to set uniform job standards, convey them to all sponsors, and then monitor them? Was it feasible to ask each sponsor to articulate his standards, then monitor them? Would there be adequate staff time to monitor worksites systematically, and establish procedures for timely corrective action? Could work sponsors be expected to treat YIEPP participants as regular employees, as they did adult PSE participants?

The other condition of continuing eligibility -- meeting school standards -- was a new one for prime sponsors and required the cooperation of the educational establishment. Participating youths had to comply with the minimum requirements of attendance and academic performance as specified by the local schools in order to obtain and keep their work experience positions, and this information was required monthly. Students failing to meet standards were to be terminated from the program, with the right to re-apply after a minimum 60-day waiting period.

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[1] After extensive criticism of the summer program in 1977 and 1978, however, the Department of Labor imposed periodic worksite monitoring requirements on prime sponsors.

While the schools had given prime sponsors written commitments of their willingness to report attendance data and students' grades, prime sponsors would have to establish fast turn-around reporting systems and subsequent enforcement procedures to make the standards work. In areas where there were as many as 5,000 enrollees in a dozen or more local schools (as well as alternative and GED-preparation programs), the administrative challenge could be substantial. The fact that developing a cooperative stance with local schools was a relatively new venture for over half the 17 YIEPP sponsors complicated matters. The degree and timeliness of school cooperation was an uncertain factor at the beginning of the demonstration.

The magnitude of these tasks, and prime sponsors' relative lack of experience with some of them, made it likely that YIEPP requirements would test the limits of their capability, and their ability to learn new tasks quickly. Since enrollments could be expected to flood in when program operators opened intake, if prime sponsors fell behind in any of their tasks, delays or failure to meet program guidelines might result.

Broader Factors Shaping Local YIEPP Implementation

While all prime sponsors faced the same operational tasks -- albeit the size differences between Tiers I and II were large -- not all began their program operations with the same legacy of experience, or with conditions equally conducive to effective and rapid implementation. A number of the broader conditions and historical differences among prime sponsors deserve brief exploration here, since the relatively short duration of the demonstration placed a premium on quick adaptation to program requirements. While some factors were beyond the administrative control of prime sponsor management, they help to explain and distinguish the conditions which facilitated or constrained YIEPP implementation.

1. The Compressed Time Frame of the Planning and Start-Up Period.

Although prime sponsors were accustomed to late notices of funding levels and the inevitable concomitant rapid build-up, the planning and the start-up periods for YIEPP were particularly compressed, given the several simultaneous and new tasks which YIEPP sponsors had to undertake. The Youth Act was signed on August 5, 1977; on September 2, prime sponsors were invited to compete for grants; and interested ones were required to submit pre-applications by October 3. A review of 153 pre-applications led to the award of planning grants to 34 prime sponsors on October 26. Field visits by the Department of Labor and MDRC staff took place immediately thereafter, primarily in November, and final applications were submitted by December 14. Grants to 17 sites were awarded January 10, 1978, and the first youths were enrolled and assigned to work experience positions by March 20.

As part of their December final applications, prime sponsors had to include commitments of cooperation from public schools and evidence of their sufficient school capacity to serve the expected enrollment levels. Final applications also had to contain commitments from prime sponsors showing the availability of adequate numbers of jobs. Despite these early efforts to forestall program delays, after January 10 the 17 prime sponsors had to put in place simultaneously complicated mechanisms for outreach, enrollment, job assignment, and eligibility screening. It should be no surprise that not all systems were working equally well by the spring of 1978. Some procedures, such as the monitoring of school standards, lagged behind the more immediate challenges of recruiting, enrolling, certifying, and assigning participants, and of transposing work commitments into actual jobs.

2. The Research Requirements and the Role of MDRC. The YIEPP program was a demonstration, and Congress was explicit in specifying a set of research questions. MDRC, designated to direct all research, had to ensure that the program model was consistently followed to answer demonstration-wide questions, and its presence was therefore immediately made known to YIEPP prime sponsors by its insistence on a uniform information system, substantially more elaborate than ones previously in use for CETA programs. For example, the YIEPP information system would collect extensive demographic information on each participant, have the capacity to track each job assignment, distinguish among a dozen termination reasons, and together with a standardized fiscal reporting system, be capable of reporting wages paid to each participant during specified periods.

Apart from this reporting, the very presence of MDRC posed another new condition for YIEPP prime sponsors. MDRC, as an organization which directed and evaluated multi-site demonstrations, deployed its own field monitoring staff to make certain that program model requirements were being followed. The large Tier I sites were assigned both a central office field monitor and another full-time on-site monitor. Prime sponsor staff attested, fairly frequently, that this monitoring was not only more intensive, it was different, with a tighter focus, and limited to just one of the prime sponsor's ongoing programs. Prime sponsors were not used to such demanding scrutiny.

The single-mindedness of MDRC's monitoring may have been a source of continuing consternation for many YIEPP prime sponsors because, at that time, they were also undertaking a rapid expansion of other CETA programs. The Carter Administration had set a target of creating 725,000 public service jobs during the 1977-78 period, and two other subparts of the Youth Act had allocated funds to prime sponsors for the fairly sizeable YETP and the smaller YCCIP programs. Each of these programs had different eligibility criteria and activities, although neither had YIEPP's specificity of program design.

3. Different Local Labor Markets and Different Levels of Program Saturation. The YIEPP legislation specified that selection of the YIEPP prime sponsors must reflect a geographical and labor market diversity. Of the 17 chosen, as seen in Table I-1, five were target areas encompassing entire central cities; Mississippi, at the other extreme, contained 19 rural counties. Local economies ranged from relatively healthy (Seattle, Denver) to severely constrained (Baltimore, Detroit), to very sparse (Mississippi). The degree to which youths found the program offer attractive would, in all probability, vary by locality, depending upon the availability of other jobs. This factor complicated the already difficult problem prime sponsors faced in projecting enrollment levels for these sites.

4. Relative Prominence of Youth Employment and other CETA Training Programs in Local Jurisdictions. As set out previously, CETA had decentralized authority for manpower planning and delivery to local governments and balance of state geographic areas under the governor's authority, and elected officials and city managers had come to see the different possibilities for use of the CETA funds. This, in turn, affected the structure of each local CETA delivery system and the degree to which CETA managers enjoyed a reputation of strong political support.

In Baltimore, as one example, the mayor gave prominence to employment and training programs; they were regarded as one element in his strategy to assist the economic revival he envisioned for the city. As a result, prime sponsor leadership enjoyed strong mayoral backing. YIEPP posed a substantial challenge, but the stability of prime sponsor staffing and the mayor's prominent support facilitated program implementation and even the school system's cooperation with YIEPP.[1]

As other examples, the mayor of Albuquerque had previously worked for the Department of Labor, was well-versed in manpower program strategies and in CETA, and had given strong support to a competent local manpower delivery system. The mayor of Syracuse, another Tier II grantee, had similar interests; he also built strong management, establishing a central office for administering all locally-received grants-in-aid, including CETA. This centralized arrangement and evidence of mayoral commitment attracted competent staff whose backgrounds helped the implementation of several federal programs, including YIEPP.

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[1] Baltimore is one of the few central cities where the mayor appoints the school board.

In Boston, the enactment of the Youth Act happened to coincide with a major effort by the mayor's office to restructure the city's CETA delivery system. The local community action agency (Action for Boston Community Development-ABCD) had been the previous provider of training and employability services for youths and adults, but in 1977, a decision had been reached to reduce its role. The city would administer the programs more directly through a new employment and economic development agency.

The turmoil of Boston's changing system took place around an ongoing controversy on school desegregation. The federal district court had the responsibility for overseeing a desegregation plan, and major changes were being made in the operation of the Boston public schools. Neighborhoods which were particularly aroused by the school controversy, South Boston and Dorchester, lay next to the proposed YIEPP target area. The new Boston manpower agency thus undertook the program challenge in the midst of change, both in the schools and within CETA, and it needed strong mayoral support. It was unclear, in 1977, what the priority for YIEPP would be.

In other communities, such as Cincinnati, the city manager was persuaded that applying for a YIEPP grant would make a contribution to youth employment and to the local economy. He was not so much encouraged by his city CETA director, however, as by a local nonprofit organization familiar with manpower programming and grants-in-aid strategies. As is often the case where elected officials do not regard CETA as central to their policy concerns, Cincinnati contracted CETA program operations out to other local agencies and nonprofit community groups. A similar strategy was adopted for YIEPP, but its demands were such that the various contractors had to work in harmony for the program model to function well. The lack of any substantial cooperation constrained fast, effective implementation in this city.

Two prime sponsors faced potential problems in serving geographically large and jurisdictionally diverse YIEPP target areas. In Seattle, the King-Snohomish County Manpower Consortium (KSMC) encompassed King County, including the central city of Seattle, and the adjacent Snohomish County. Separate program agents were given broad programmatic autonomy in service delivery, which could have posed administrative difficulties had the program agents not had a strong background in youth programs. The Mississippi project spanned 19 counties, including 30 separate school districts, in a band across the south central section of the state. County offices of the State Employment Service, a separate state agency with substantial political autonomy, played the principal service delivery role for YIEPP. Applying a uniform program model through this kind of an administrative structure was a real challenge to the relatively small staff of the governor's manpower office.

Another characteristic of the CETA system -- known at the outset but impossible to predict -- was the relative lack of continuity in CETA leadership at the local levels. Where a mayor had clearly given priority to CETA and its effective service delivery, and where the mayor had a fairly stable tenure in office, there was less likely to be rapid turnover in local CETA directors. When this was not the case, less stability resulted. Since the YIEPP demonstration was originally scheduled to operate for 18 months, management turnover at the outset did not appear to be a major problem. However, when the demonstration was extended, leadership turnover, in CETA as well as YIEPP, did in fact pose constraints on its effective implementation in several areas.

5. Previous Prime Sponsor-Education Agency Cooperation. Before the Youth Act, CETA prime sponsors had been encouraged to "establish linkages" with school systems to develop youth employment and training strategies. Exhortation had led to very little in most communities, however, and what passed for cooperation was, in reality, financial help for work experience programs during the school year. In some communities, there was no track record of cooperation for YIEPP to build on or continue, even though the requirements placed on the schools were relatively minimal.

In Detroit, for example, the public schools were the contractor for operating school-year work experience programs, and they had also administered a substantial part of the large Summer Youth Employment Program. The city therefore proposed to delegate all YIEPP management responsibility to the schools on the grounds that their previous experience qualified them for this role, and that this arrangement would facilitate their cooperation in the program. However, the year-round recruitment, job development, and the substantial eligibility documentation of the YIEPP model made it a greater challenge for the school system than earlier program efforts had taught it to handle.

Several YIEPP prime sponsors had built stronger bridges of programmatic cooperation with their school systems, which helped in those sites in the relatively timely development of reporting systems on school standards. It also set up the possibility for more substantive programmatic linkages, discussed later in Chapter V. In Monterey County, California, for example, an arm of the county school superintendent's office had traditionally operated youth manpower programs, with the county prime sponsor carrying out the monitoring, data reporting, and fiscal control functions. The base for cooperation with the schools was similarly strong in Albuquerque. In fact, at five of the Tier II sites, primary program management for YIEPP was delegated to the local educational agencies.

In summary, the YIEPP program model had the virtue of fairly clear definition and structure from the vantage point of those who had to implement it. Its straightforward design made it an understandable bargain which the prime sponsors and school systems could strike with eligible youths. The clarity of the program model enhanced the opportunity for determining whether its implementation was operationally feasible.

The relative simplicity of the program model, however, should not be seen as discounting the substantial challenges which it posed for CETA prime sponsors. Since the program would not operate with fixed budget ceilings, but as an open enrollment program, it would be difficult to project staffing levels, job development needs, and the capacity of non-traditional educational alternatives. Nor would the timing of its activities be easy to predict. Conditioning youth eligibility on performance, as the program required, was a relatively new strategy for employment and training operators, and required the cooperation of many community agencies, businesses, and the schools as well. The ability of projects to reach and enroll eligible youths, their subsequent patterns of participation in the program, and the requirements necessary to implement the major task clusters on both the job side and the eligibility monitoring side will be explored in the chapters which follow.

CHAPTER III

PATTERNS OF PARTICIPATION

One of the central questions raised by entitlement programs is the issue of how many eligible people will come forward to participate in them. Participation rates have many implications, one of which is their effect on program expenditures. The equation is a simple one: the more people who participate, the higher the costs; a situation that is entirely opposite to a fixed slot program rationale, where budgets determine the numbers served. In YIEPP, participation rates not only influenced the demonstration's costs, but also helped to answer questions raised by Congress on costs for institutionalizing YIEPP and making it a national, ongoing program. These issues are addressed in Chapter VI.

Additionally, participation rates illuminate the level of interest in the program by the eligible youths. Although participation rates should be considered in the context of the impact findings -- for example, low participation rates may not be negative factors if the youths participating are those on whom the program has its largest effects -- they nevertheless provide a rough barometer of program satisfaction and indicate, in YIEPP, if disadvantaged youths are interested in the offer of a minimum-wage job, conditioned on their school attendance.

Another aspect of participation is the question of its determinants. Do youths with certain characteristics join the program at greater rates than others and, if so, why? Do participation levels vary across the sites? Does this result from local program management or implementation factors?

An examination of participation can also help explain why some youths leave the program and how long others stay, as well as factors which are related to the various lengths of stay and reasons for the different kinds of termination. Among these factors are the eligibility criteria and their enforcement, which shape the patterns of participation in very distinctive ways.

Participant Characteristics

As a first step to understanding YIEPP participation, Table III-1 summarizes the characteristics of the 76,051 youths participating in the demonstration.[1] It shows that, for the most part, participants were young; a majority (58 percent) were age 16. This statistic reflects, in part, a natural development; as the pool of older youths began to be depleted, new enrollees were more likely to be youths who had just turned 16.

Most participants (73 percent) were black. Eighteen percent were non-Hispanic whites, and 7 percent were of Hispanic background. There were about as many males as females. Schooling categories indicate that some 14 percent of youths had previously dropped out of school for a semester or longer before enrollment, and 9 percent were out of school the entire semester prior to enrollment. Close to half of the participants (43 percent) came from families receiving welfare.

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[1] These are the 76,051 youths assigned to jobs in the demonstration. The characteristics of all enrollees, who include these 76,051 participants plus the 5,623 enrollees who never received job assignments, are presented in Appendix Table B-1. A comparison of the two tables shows only slight differences between the enrollees and the participants. It is worth noting, however, that the enrollees were slightly older and more often drop-outs than the participants. These older drop-outs, it appears, were disproportionately more likely to be screened out or to drop out of the program in the job assignment process.

TABLE III-1

CHARACTERISTICS OF PARTICIPANTS AT THE TIME OF ENROLLMENT IN THE ENTITLEMENT DEMONSTRATION

Characteristics at the Time of Enrollment	Tier I	Tier II	Total
Total Number of Participants	67,194	8,857	76,051
Age (%)			
16 years old	58.2	56.3	58.0
17 years old	25.4	28.0	25.7
18 years old	11.9	12.2	11.9
19 years old	4.6	3.5	4.4
Sex (%)			
Male	49.3	47.0	49.1
Female	50.7	53.0	50.9
Ethnicity (%)			
White (non-Hispanic)	17.7	17.2	17.6
Black (non-Hispanic)	74.9	58.1	72.9
American Indian/Alaskan Native	0.6	0.8	0.7
Asian/Pacific Islander	2.1	1.9	2.1
Hispanic	4.7	22.0	6.7
Marital Status (%)			
Never Married	99.2	98.9	99.2
Ever Married	0.8	1.1	0.8
Head of Household (%)	1.0	2.2	1.2

Characteristics at the Time of Enrollment	Tier I	Tier II	Total
Living With Own Children (%)	5.7	5.7	5.7
Family Receiving Cash Welfare - AFDC, SSI, or GA (%)	43.3	41.8	43.1
Ever Dropped Out of School For a Semester or Longer (%)	14.5	10.0	14.0
Out of School in the Semester Prior to Enrollment (%)	9.4	4.0	8.8
Highest Grade Completed (%)			
0-7	3.0	1.1	2.8
8	11.2	7.6	10.8
9	31.8	29.8	31.6
10	34.5	38.1	34.9
11	19.5	23.4	19.9
Ever Participated in a CETA Employment Program (%)	23.3	23.8	23.4
Ever Worked in a Non-Subsidized Job (%)	5.6	9.8	6.0

SOURCE: Tabulations of Enrollment and Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all enrollees in the 17 Entitlement sites during the period from February 1978 through August 1980 who worked in an Entitlement job at some time during that period.

Only a few differences of note are seen between participant characteristics in Tier I and Tier II sites. Tier I projects, on the whole, enrolled a larger number of returning drop-outs, using either definition provided in the table. This higher proportion may account for their participants' lower grade attainment. Tier I sites also served a smaller number of Hispanic youths and a larger group of black youths, reflecting relative differences in the composition of the eligible population among the selected sites.

Participation Rates

While Table III-1 shows that many youths participated in the program, it does not indicate participation rates, or the proportion of the eligible youths who joined the program. This question is answered in the impact study.

The analysis of initial impacts disclosed a cumulatively high participation rate for the four pilot sites through the fall of 1979, after the first 18 program months. Overall, half of all the eligible youths had participated by this point, although rates varied in the individual pilot sites: in Baltimore, 63 percent participated; in Cincinnati, 40 percent; Denver, 36 percent; and Mississippi, 51 percent. Returning drop-outs[1] participated at a lower rate than did youths enrolled in school, with an overall participation rate of 21 percent compared to 57 percent for in-school youths.[2]

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[1] Drop-outs in the impact analysis are defined as youths who were not enrolled in school in the prior semester.

[2] Farkas et al., Early Impacts from the Youth Entitlement Demonstration, New York: MDRC, 1980, pp. 10-24.

Impact data on the full program period revealed that this participation rate had climbed to 56 percent, ranging from a 39 percent participation rate in Denver to 69 percent in Baltimore. Drop-out participation increased to 25 percent, and the in-school rate reached 64 percent. If Denver is removed from calculations -- that site's program intake closed in June of 1979 -- the overall participation rate is 60 percent.[1]

Because of YIEPP's unique job guarantee, there are no programs to which to compare it on participation rates.[2] Nevertheless, the fact that more than half the eligible youths participated in YIEPP suggests that it achieved significant saturation levels.

Effect of Participant Characteristics

Using the impact data from the four pilot sites, Table III-2 compares some relevant characteristics of the eligible youths with the same characteristics for participants, and shows participation rates for different subgroups in the program. In effect, these data explain how

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[1] Farkas et al., Second Impact Report. See Denver site profile, Appendix A of this report, for a discussion of Denver's operational problems.

[2] A survey of available studies examining the participation rates of different types of entitlement programs at different points in time came up with a wide range of results, from a low of 4 percent to a high of 90 percent, with an average rate of 46 percent. The studies providing these results were conducted between 1967 and 1977 and included both local and national surveys. The programs examined and the range of rates found for different studies of each included: Aid to Families with Dependent Children, 63 to 90 percent; Aid to Families with Dependent Children - Unemployed Fathers, 4 to 6 percent; General Assistance, 6 percent; Supplemental Security Income/Aid to the Aged, Blind and Disabled, 15 to 16 percent; Public Assistance, unspecified, 44 to 60 percent; Food Stamps, 41 to 55 percent; Free School Lunch, 53 percent; Experimental Housing Allowances, 26 to 44 percent; circuit-breaker property tax relief, 12 to 82 percent. Marc Bendick, Jr. "Failure to Enroll in Public Assistance Programs," Social Work 25:4, pp. 268-274.

TABLE III-2

CHARACTERISTICS AND OBSERVED PARTICIPATION RATES OF ENTITLEMENT-ELIGIBLE YOUTHS, FIRST EIGHTEEN MONTHS

	Percentage Distribution by Characteristic		
Characteristic	Program-Eligible Youths	Program Participants	Observed Participation Rates
Sex			
Male	47	46	48
Female	53	54	52
Ethnicity			
White	12	4	17
Black	78	89	57
Hispanic	10	7	34
Age in January 1979			
15-16	32	36	56
17	30	35	57
18	20	20	48
19-20	18	9	26
School and Work Status, Fall 1977			
Enrolled - Employed	10	9	46
Enrolled - Not Employed	72	83	58
Not Enrolled - Employed	5	1	11
Not Enrolled - Not Employed	13	6	25
Number in Sample	3,184	1,594	3,184

SOURCE: Tabulations from the baseline and first follow-up wave of a longitudinal survey of Entitlement-eligible youths in four Demonstration sites.

NOTES: The data in this table reflect those respondents who were interviewed in the first follow-up wave which was conducted in the fall of 1979.

A participant is a youth who held an Entitlement job for at least two weeks, during the period from March 1978 through August 1979.

Percents may not add exactly to 100.0 because of rounding.

certain characteristics can correlate with a decision to join the program. For example, blacks account for some 78 percent of all the eligible youths, but constitute 89 percent of the participants, a result of their higher participation rates, as seen in Column 3. Conversely, Hispanic and white youths were smaller fractions of participant totals than of the eligible population, and their participation rates, in turn, were lower. By the second follow-up report, reflecting the entire demonstration experience, participation ratio by ethnic group had risen to 21.5 percent for whites, 63.4 percent for blacks, and 38.3 percent for Hispanics. Males and females among the eligible youths participated at almost equal rates, and YIEPP participants were slightly younger than the program-eligible population.

The table also shows that youths' school and employment status immediately before enrollment strongly correlated with participation. In-school youths participated at a higher rate than drop-outs, and not surprisingly, the drop-outs who had jobs were not as likely to take part in YIEPP as those who had no jobs.

Much of the difference in participation rates can be explained by looking at the characteristics together as they pertain to subgroups, and then the opportunities in the labor market associated with these characteristics. For instance, drop-outs tended to be older than the in-school youths; they were less educated, and more of them were living alone.[1] It is not likely that a program offering only part-time, minimum-wage work -- and that dependent on the youths' return to school -- would draw large shares of this group.

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[1] Barclay et al., Schooling and Work Among Youths from Low-Income Households (hereafter referred to as the Baseline Report), pp. 46-57; and Second Implementation Report, pp. 73-74. See also the comparison of in-school and out-of-school enrollees in Chart B-1.

Another factor may explain why white participation rates were low, while black youths tended to participate in larger numbers. Sharp differences nationally between the employment rates of white and black teenagers suggest that white youths have more opportunities in the labor market than black youths do. YIEPP research indicates, in fact, that white YIEPP eligibles were more likely to have jobs than black youths. They also were less likely to be students than the black youths, and more often headed up a household.[1] These characteristics may help account for their reduced propensity to enroll and the far greater interest of the blacks in doing so.

A second factor that may have lowered white participation rates was the perception reported anecdotally by staffs in certain areas that white youths viewed the program negatively as a "welfare" program, or as one designed for blacks. In Cincinnati, for example, the prime sponsor had little success encouraging white eligible Appalachian youths to join. In Baltimore, where 96 percent of all participants were black, the program made concerted efforts to attract white youths, but even an expansion of the demonstration area to include a neighborhood containing many whites presumed eligible failed to change the composition of enrollments. Mississippi also indicated difficulties in attracting white participants.

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[1] In the fall of 1977, 47.7 percent of the white males were employed versus 28.6 percent of the black males. For females these rates were 30.3 percent versus 16.9 percent. Only 44.9 percent of the white eligible youths were school-enrolled all year during 1977-78, compared to 74.3 percent of the black. Hispanics were more similar to whites than blacks in their employment and schooling. Thus, 49.1 percent and 33.4 percent of the Hispanic males and females respectively were employed in the fall of 1977; 51.4 percent were enrolled in school for all of 1977-78; and 11.7 percent were heads of households. The employment patterns for Hispanics appear to be due to the relatively stronger labor market in Denver and Phoenix where most of the Hispanics in the survey sample were residing. See the Baseline Report, pp. 33-34, 46-50, 62-66.

The Participation Process

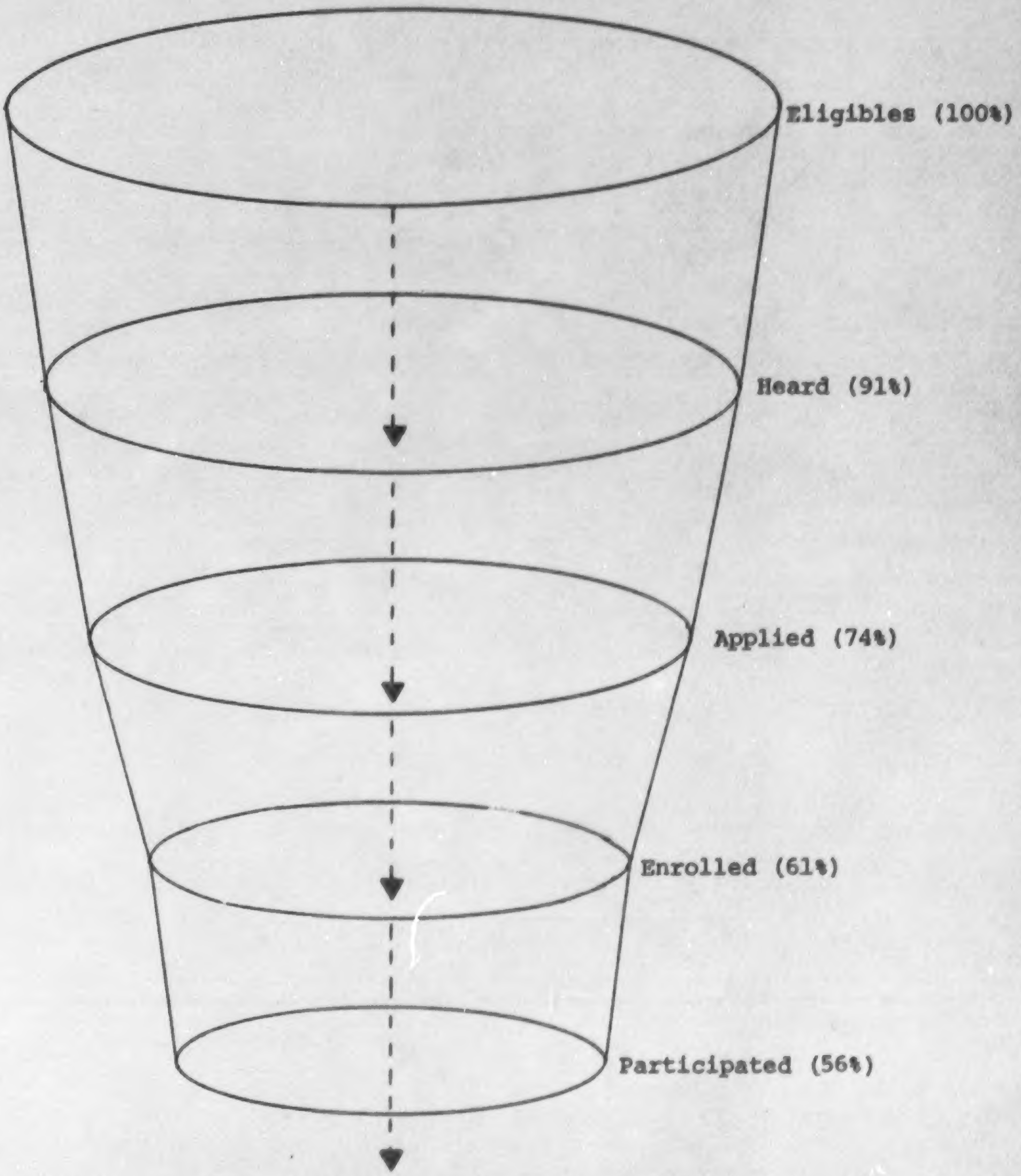
While some characteristics of the eligibles correlated with participation rates, site variables -- including different levels of outreach and intake -- explain some patterns of participation, too. Figure III-1, whose source is cumulative data from the first three impact surveys, shows how the outreach and the intake efforts at the pilot sites formed a funnel to the program, wherein large numbers of the youths heard of the program, were recruited, and put to work. Conversely, the funnel illustrates that certain numbers of the youths were lost at separate steps along the way. Table III-3 presents the data on which the funnel is based and also separates the eligible youths according to their prior school status.

These data and the funnel show that first, a very high proportion of the youths came into contact with the program through its outreach efforts. Nine out of ten youths eligible heard of the program by the fall of 1980, close to 95 percent of those in school and 75 percent of those no longer there. Further, interest in participation was quite high among these youths. By the fall of 1980, 81 percent of those who knew about the program had applied (Table III-4).

Second, the funnel profile for in-school students as a group was different from the funnel for the drop-outs. Prior school status strongly influenced what happened. Drop-outs were less likely to know

FIGURE III-1

YOUTH ENTITLEMENT DEMONSTRATION - PARTICIPATION PROCESS



SOURCE: Tabulations from the first and second followup waves of a longitudinal survey of Entitlement-eligible youths residing in four Demonstration sites.

NOTES: The first followup wave was conducted in the fall of 1979, and the second in the fall of 1980. A total of 2,777 eligible youths were interviewed in both waves.

TABLE III-3

PERCENT OF YOUTHS THAT HEARD OF, APPLIED FOR, ENROLLED, AND PARTICIPATED IN ENTITLEMENT THROUGH THE END OF THE DEMONSTRATION, BY IMPACT SURVEY SITE AND PRIOR SCHOOL STATUS

Prior School Status/Category	Percent of Youths				
	Baltimore	Cincinnati	Denver	Mississippi	All
In-School:					
Heard	98.2	88.3	90.2	96.9	94.2
Applied[a]	88.3	76.4	64.3	82.0	80.1
Enrolled[b]	79.4	59.1	55.1	64.8	67.5
Participated[c]	75.7	55.7	48.0	62.6	63.6
Out-of-School:					
Heard	87.5	62.8	65.4	82.4	75.3
Applied	58.5	45.3	29.8	42.4	46.2
Enrolled	38.1	29.9	16.3	23.5	28.9
Participated	35.8	24.1	10.6	22.4	25.1
All:					
Heard	96.4	83.2	84.9	94.6	90.8
Applied	83.4	70.2	56.9	75.7	74.0
Enrolled	72.5	53.3	46.8	58.3	60.5
Participated	68.8	49.3	38.8	56.2	56.2
Number in Sample	1,060	692	487	539	2,778

SOURCE: Tabulations from the first and second followup waves of a longitudinal survey of Entitlement-eligible youths.

NOTES: The longitudinal survey covers a random-sample of eligible youths in four Demonstration sites and four control sites. The first followup wave was conducted in the fall of 1979, and the second in the fall of 1980. The data in this table reflect only those respondents who were interviewed in both followup waves at the four Demonstration sites.

Prior school status relates to the youth's status in the fall of 1977.

[a] "Applied" means the respondent filled out and submitted an application form.

[b] "Enrolled" means the respondent was officially notified that he or she was in the program.

[c] "Participated" means the respondent was assigned to an Entitlement job and worked for at least two weeks.

TABLE III-4

PERCENT OF YOUTHS WHO HEARD ABOUT ENTITLEMENT AND APPLIED FOR IT THROUGH THE END OF THE DEMONSTRATION, BY IMPACT SURVEY SITE AND PRIOR SCHOOL STATUS

	Percent of Youths				
Prior School Status	Baltimore	Cincinnati	Denver	Mississippi	All
In-School	89.9	86.5	71.2	84.6	85.0
Out-of-School	66.6	72.1	45.6	51.5	61.4
All Youths	86.5	84.4	67.0	80.0	81.5
Number Who Heard About Entitlement	1,022	576	412	510	2,520

SOURCE AND NOTES: Refer to Table III-3.

about the program, to apply, enroll, and finally, to participate than the in-school youths. There was, in other words, a greater drop-off for these youths at each step.

Several factors may account for this. One is that in-school youths were easier to reach because of their school status. Schools, in general, were cooperative in helping with recruitment, and although prime sponsors made a special effort to reach the drop-out youths, particularly in the larger sites where community-based organizations were often used to conduct outreach, these efforts generally met with less success than in-school strategies. Even when they heard, the drop-out youths, for reasons discussed earlier, were usually not as interested in applying as their in-school counterparts. Some 61 percent of all the drop-outs who knew about the program decided to apply compared to 85 percent of in-school youths (Table III-4).

Again, the two funnels differ in the step between their application and enrollment, although the gap is narrower. Problems in the processing of applications influenced the behavior of both groups, especially in the early stages of the program. However, data indicate that drop-outs were affected by these problems more than in-school youths. The likeliest explanation is that once the applications were approved, staff had more difficulty in finding drop-outs than the in-school youths who could, of course, be contacted in school.

There is, however, no drop-out/in-school difference in the final step between enrollment and participation, or actual assignment to a job. The loss for both groups comes to 4 percent, and is accounted for by further processing problems and job matching difficulties, particularly in the early stages of the demonstration. This is discussed below and in more detail in Chapter IV.[1]

Finally, the data (Table III-3) indicate that each site's funnel was unique; each site presents a different profile in the steps which lead to final program entry. The reasons for these differences stem from many complex factors, among them, different outreach emphases and methods used by sites, which varied in effectiveness.

Outreach Techniques. Throughout the 17 sites, prime sponsors and their managing agents used fairly standard outreach methods, including school announcements, flyers, posters, ads, and, in the larger sites, T.V. and radio announcements. In their recruitment efforts for school drop-outs, many prime sponsors relied on community organizations or alternative schools, which were inclined to be in touch with youths outside traditional high school channels. However, as suggested by the data in Table III-3 and by reports from field staff, the sites had varying success in getting the message out.[2] This was especially apparent for the drop-out youths, as seen in the four pilot sites: Baltimore and Mississippi had more success in reaching drop-outs than did the Cincinnati and Denver sites. Further insights can be gleaned from Table III-5, which reports on how youths said they heard about the

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[1] See also the First and Second Implementation Reports. In both reports, this discussion occurs in Chapter 3.

[2] William Hamilton, in a discussion of outreach and its relationship to participation, has observed that outreach, in addition to being a universal feature of social programs, "is the principal mechanism by which program operators can influence participation." See William L. Hamilton, A Social Experiment in Program Administration: The Housing Administrative Agency Experiment, Cambridge, Massachusetts: Abt Books, 1979, pp. 17-18.

TABLE III-5

HOW YOUTHS REPORTED THEY HEARD ABOUT ENTITLEMENT
AS OF THE FALL 1979,
BY IMPACT SURVEY SITE AND PRIOR SCHOOL STATUS

How Youths Heard About Entitlement		Percent of Youths[a]				
		Baltimore	Cincinnati	Denver	Mississippi	All
School Announcement/Newspaper:						
	In-School	30.6	50.5	64.6	47.3	44.1
	Out-of-School	9.5	23.5	9.3	8.8	12.6
	All Youths	27.7	46.7	56.6	42.7	39.8
Friend:						
	In-School	48.6	25.9	24.5	38.5	37.5
	Out-of-School	57.8	40.7	45.3	40.4	48.7
	All Youths	49.9	27.9	27.5	38.7	39.0
Teacher:						
	In-School	14.4	18.8	21.5	15.4	16.8
	Out-of-School	6.8	7.4	1.6	5.3	5.7
	All Youths	13.3	17.2	18.6	14.2	15.3
Recruiter Visit:						
	In-School	8.4	8.2	8.8	15.4	10.0
	Out-of-School	15.0	14.8	18.8	40.4	19.8
	All Youths	9.3	10.2	10.2	18.4	11.3
Handout/Poster:						
	In-School	3.5	8.4	8.8	5.0	5.8
	Out-of-School	3.4	3.7	10.9	1.8	4.6
	All Youths	3.5	8.3	9.1	4.6	5.6
Radio/TV:						
	In-School	5.0	1.0	2.1	3.1	3.3
	Out-of-School	7.5	0.0	10.9	5.3	6.0
	All Youths	5.4	0.9	3.4	3.3	3.6
Letter to Home:						
	In-School	2.0	0.8	1.9	1.7	1.6
	Out-of-School	3.7	0.0	1.6	1.8	1.4
	All Youths	2.0	0.7	1.8	1.7	1.6
Number of Youths Who Heard About Entitlement		1,065	580	439	478	2,562

SOURCE: Tabulations from the first followup wave of a longitudinal survey of Entitlement-eligible youths.

NOTES: The data in this table reflect the 3,219 respondents who were interviewed in the first followup wave, at the four Demonstration sites.

Prior school status relates to the youth's status in the fall of 1977.

[a] Percents may not add to 100.0 because respondents could mention more than one way they had heard about Entitlement.

program. The information helps explain site differences in levels of outreach.[1]

In none of the three other sites did YIEPP receive as much attention as it did in Baltimore. The local manpower agency in charge, as well as Baltimore's mayor, gave priority to informing and recruiting a large proportion of the eligible population. A major, sustained campaign to make the eligibles aware of YIEPP was launched, which led to widespread word-of-mouth publicity. It also helped that Baltimore could rely, more than the other sites, on an experienced network of community agencies, which it had previously used in operating the Summer Youth Employment Program.

In Mississippi, the rural character of the site induced the four community organizations, which were responsible for out-of-school recruitment, to visit homes to try to reach the drop-outs.[2] The greater use of this technique undoubtedly paid off, since larger numbers of the Mississippi drop-outs were informed about the program than in Cincinnati and Denver.

Across all sites, the data show that teachers and announcements were, not surprisingly, the usual ways in which the in-school youths were told about the program, though friends, or word-of-mouth, were other important means. The drop-out youths were usually informed by friends, with visits from recruiters (primarily community based organizations) the second most important source. Radio, T.V. and other outreach methods were mentioned very rarely.[1]

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[1] In discussing the response of survey participants to issues of how they heard and their reasons for continuing or not through the funnel's various steps, data from the 1979 survey 18 months after the demonstration began is utilized because of the difficulty of interpreting 1980 survey data for youths who were questioned on these issues in both 1979 and 1980.

[2] As one analyst has observed, rural areas have poorer information networks than urban ones. See Bendick, p.271.

Application. Of the four pilot sites, Denver shows the sharpest drop-off between the youths who heard about the program and youths applying; that site experienced a drop of 28 percent against an average drop for the three other sites of close to 17 percent, as shown in Table III-3 earlier; in fact, its application rate among all the youths who heard about YIEPP was lower than the rate of the drop-outs who heard in the Cincinnati site (Table III-4). Part of the reason may have been the labor market in the Denver area, which was far better than the labor markets in the other three pilot sites.[2] That eligible youths were consequently less interested in program jobs is further supported by the information in Table III-6. In Denver youths who heard of YIEPP but

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[1] Recruitment sources for all the demonstration sites can be found in Tables B-4, B-5 and B-6.

[2] Data from the baseline survey indicate that 79 percent of the eligibles in Denver worked at some time during the pre-program year of 1977 compared to 70.7 percent in Cincinnati, 66.5 percent in Baltimore, and 64 percent in Mississippi; they had worked 24.8 percent of the time versus 17.4 percent in Cincinnati, 10.9 percent in Baltimore, and 8.1 percent in Mississippi. Family income in Denver was $6,728 for 1977 versus $6,326 in Cincinnati, $6,275 in Baltimore, and $5,828 in Mississippi. And the average monthly unemployment rate in Denver throughout the demonstration period was 4.8 percent versus 5.6 percent in Cincinnati, 6.5 percent in Baltimore, and 6.7 percent in Mississippi. See George Farkas, Robert Jerrett III, D. Alton Smith, Ernst W. Stromsdorfer, and Randall J. Olsen, "The Youth Incentive Entitlement Pilot Projects: Effects During the Program Period," Draft, October 14, 1981, Table 2.2 for baseline employment characteristics. Unemployment rates for the sites are from Employment and Earnings, published monthly by the U.S. Department of Labor, Bureau of Labor Statistics.

TABLE III-6

REASONS YOUTHS WHO HEARD ABOUT ENTITLEMENT REPORTED THEY DID NOT APPLY FOR IT, BY IMPACT SURVEY SITE AND PRIOR SCHOOL STATUS

Reasons Reported for Not Applying		Percent of Youths[a]				
		Baltimore	Cincinnati	Denver	Mississippi	All
Didn't Know How to Apply:	In-School	30.0	25.3	21.8	32.9	27.1
	Out-of-School	24.1	52.0	29.0	46.9	34.6
	All Youths	28.0	32.0	23.6	37.1	29.2
Didn't Want to Return to School:	In-School	6.4	5.3	8.4	5.5	6.6
	Out-of-School	24.1	12.0	5.3	21.9	17.0
	All Youths	12.5	7.0	7.6	10.5	9.6
Didn't Want to Take Time From School:	In-School	7.3	9.3	5.0	4.1	6.4
	Out-of-School	1.7	0.0	2.6	0.0	1.3
	All Youths	5.4	7.0	4.5	2.9	4.9
Parent Didn't Want Youth to Apply:	In-School	4.0	1.3	0.8	1.4	1.6
	Out-of-School	1.7	0.0	0.0	0.0	0.7
	All Youths	2.4	1.0	0.6	1.0	1.3
Had a Better Job:	In-School	12.0	5.3	16.0	5.5	9.5
	Out-of-School	6.9	12.0	2.6	9.4	7.2
	All Youths	7.7	7.0	12.7	6.7	8.9
Didn't Like Program Hours:	In-School	6.4	4.0	6.7	9.6	6.6
	Out-of-School	10.3	4.0	2.6	3.1	5.9
	All Youths	7.7	4.0	5.7	7.6	6.4
Program Hours Were Too Long:	In-School	0.0	0.0	0.0	0.0	0.0
	Out-of-School	1.7	0.0	0.0	0.0	0.7
	All Youths	0.6	0.0	0.0	0.0	0.2
Program Hours Were Too Short:	In-School	0.0	0.0	0.8	1.4	0.5
	Out-of-School	0.0	0.0	0.0	0.0	0.0
	All Youths	0.0	0.0	0.6	1.0	0.4
Program Wage Was Too Low:	In-School	0.9	0.0	1.7	0.0	0.8
	Out-of-School	1.7	0.0	2.6	3.1	2.0
	All Youths	1.2	0.0	1.9	1.0	1.1
Transportation Problems:	In-School	0.9	1.3	0.0	8.2	2.1
	Out-of-School	0.0	0.0	2.6	6.3	2.0
	All Youths	0.6	1.0	0.6	7.6	2.1
Child Care Problems:	In-School	2.7	0.0	2.5	0.0	1.6
	Out-of-School	3.4	0.0	2.6	0.0	2.0
	All Youths	3.0	0.0	2.5	0.0	1.7
Other Family Responsibilities:	In-School	1.8	1.3	0.0	2.7	1.3
	Out-of-School	0.0	4.0	2.6	0.0	1.3
	All Youths	1.2	2.0	0.6	1.9	1.3
Illness / Physical Disability:	In-School	1.8	1.3	1.7	1.4	1.6
	Out-of-School	1.7	0.0	0.0	0.0	0.7
	All Youths	1.8	1.0	1.9	1.0	1.3
Pregnancy:	In-School	1.8	1.3	1.7	1.4	1.6
	Out-of-School	0.0	0.0	5.3	0.0	1.3
	All Youths	1.2	1.0	2.5	1.0	1.5
Other Activities Take Too Much Time:	In-School	2.7	0.0	7.6	1.4	3.4
	Out-of-School	1.7	4.0	0.0	0.0	1.3
	All Youths	2.4	1.0	5.7	1.0	2.8
Enrolled in Different Youth Program:	In-School	3.6	9.3	3.4	1.4	4.2
	Out-of-School	3.4	4.0	5.3	0.0	3.3
	All Youths	3.6	8.0	3.8	1.0	4.0
Number Who Heard About Entitlement But Did Not Apply		169	100	156	105	530

SOURCE: Tabulations from the first followup wave of a longitudinal survey of Entitlement-eligible youths.

NOTES: The longitudinal survey covers a random-sample of eligible youths in four Demonstration sites and four control sites. The first followup wave was conducted in the fall of 1979.

Prior school status related to the youth's status in the fall of 1977.

[a] Percents may not add to 100.0 because respondents could mention more than one reason for not applying, respondents gave reasons that did not fit the categories, and some respondents did not give any reasons.

did not enroll more often than elsewhere stated that they had a better job already. This was especially true for in-school youths, who also were more likely to report that other activities took their time.

These data also suggest that the non-applicants in Mississippi may have been hindered by problems and disincentives associated with the state's large rural target area. Non-applicants in Mississippi more often said they did not know how to apply or could not solve the transportation problems, a difficulty common to rural areas.[1] It is worth noting, however, that some one-third of all informed non-applicants at the four sites indicated that they did not know the application process. Among this group in Cincinnati and in Mississippi, the proportion rose to almost one-half. Given the large numbers who knew about the program, and the generally high interest in applying, this response could mask a lack of interest. It may also indicate that information spread about the program was confusing, inaccurate or incomplete, possibly due to word-of-mouth, which was a frequent medium for recruitment.

Enrollment. At the next funnel step -- between youths' application and enrollment -- another 13.5 percent of eligible youths dropped out. Although the differences among the pilot sites were less dramatic, Cincinnati and Mississippi lost 6 to 7 percent more youths than Baltimore and Denver. Table III-7, reporting on the reasons of the youths for not continuing, sheds light on what apparently happened. Three out of five of the lost applicant youths said that they turned in their application forms and never heard again from program staff. Those numbers

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[1] The Mississippi project ran a small transportation service in an attempt to at least partially overcome this problem.

TABLE III-7

REASONS YOUTHS WHO APPLIED FOR ENTITLEMENT REPORTED THEY DID NOT ENROLL, BY IMPACT SURVEY SITE AND PRIOR SCHOOL STATUS

Reasons Reported for Not Enrolling	Percent of Youths[a]				
	Baltimore	Cincinnati	Denver	Mississippi	All
Didn't Know How to Enroll:					
In School	0.0	1.2	7.7	12.5	4.1
Out-of-School	4.8	0.0	12.5	0.0	4.2
All Youths	1.3	1.0	8.8	11.5	4.2
Required Documents/Information Hard to Obtain:					
In-School	6.9	2.4	0.0	0.0	2.8
Out-of-School	4.8	0.0	0.0	0.0	2.1
All Youths	6.3	2.0	0.0	0.0	2.6
Turned in Forms, Never Heard:					
In-School	50.0	67.1	46.2	68.8	60.4
Out-of-School	52.4	66.7	62.5	100.0	62.5
All Youths	50.6	67.0	50.0	71.2	60.8
Wasn't Eligible:					
In-School	20.7	16.5	7.7	10.4	15.2
Out-of-School	9.5	6.6	12.5	0.0	8.3
All Youths	17.7	15.0	8.8	10.0	14.0
Lost Interest in the Program:					
In-School	6.9	7.1	23.1	0.0	7.4
Out-of-School	14.3	0.0	0.0	0.0	6.3
All Youths	8.9	6.0	17.6	0.0	7.2
Got a Regular Job:					
In-School	5.2	2.4	7.7	2.1	3.7
Out-of-School	4.8	0.0	12.5	0.0	4.2
All Youths	5.1	2.0	8.8	1.9	3.8
Enrolled in a Different Program:					
In-School	1.7	0.0	0.0	0.0	0.5
Out-of-School	9.5	0.0	0.0	0.0	4.2
All Youths	3.8	0.0	0.0	0.0	1.1
Transportation Problems:					
In-School	1.7	2.4	0.0	0.0	1.4
Out-of-School	0.0	0.0	0.0	0.0	0.0
All Youths	1.3	2.0	0.0	0.0	1.1
Child Care Problems:					
In-School	1.7	0.0	0.0	0.0	0.5
Out-of-School	0.0	0.0	0.0	0.0	0.0
All Youths	1.3	0.0	0.0	0.0	0.4
Other Family Responsibilities:					
In-School	0.0	0.0	0.0	0.0	0.0
Out-of-School	0.0	6.6	0.0	0.0	2.1
All Youths	0.0	1.0	0.0	.0.0	0.4
Pregnancy:					
In-School	0.0	0.0	0.0	0.0	0.0
Out-of-School	4.8	0.0	0.0	0.0	2.1
All Youths	1.3	0.0	0.0	0.0	0.4
Number Who Applied for Entitlement But Did Not Enroll	79	100	34	52	265

SOURCE: Tabulations from the first followup wave of a longitudinal survey of Entitlement-eligible youths.

NOTES: The longitudinal survey covers a random-sample of eligible youths in four Demonstration sites and four control sites. The first followup wave was conducted in the fall of 1979.

Prior school status relates to the youth's status in the fall of 1977.

[a] Percents may not add to 100.0 because respondents could mention more than one reason for not enrolling, respondents gave reasons that did not fit the categories, and some respondents did not give any reasons.

were proportionately higher in Cincinnati and Mississippi than in Denver and Baltimore.[1] In addition, in Denver and Mississippi, a small proportion of the applicants reported a lack of knowledge about enrollment, indicating that these youths, too, were never contacted by the program.

What happened? Unfortunately, at this particular step the applicants first hit the "systems" problems that many projects experienced in moving applicant-eligibles to job assignments.[2] These problems were most serious during program start-up when many sites had opened intake prematurely, before procedures were in place to handle the large flow of youths. The backlog from these early months continued to hamper the ability of the projects to take better care of applicants well into later periods.

The problem was probably aggravated in Mississippi and Cincinnati for different reasons. In Mississippi, the Employment Service experienced problems in developing jobs in numbers large enough to keep up with enrollment levels. Although this situation eventually eased, it meant that many youths were waiting longer in that site to hear from project staff and more often than at other sites, they never heard at all. In Cincinnati, coordination among the major program agents was poor, resulting in the loss of many interested applicants.

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[1] It is worth noting that Denver youths in this category more frequently replied that they got another job or lost interest in the program than elsewhere, further supporting the theory that the better labor market in Denver helps to explain the lower participation rates there.

[2] See Chapter IV; also the First Implementation Report, pp. 114-129, and Second Implementation Report, pp. 109-117.

The Last Step: Participation. The smallest number of youths were lost at the last step, between enrollment and assignment to a job. From an enrollment rate of 60.5 percent, participation was reduced to 56.2 percent, a drop of only 4 percent. Youths at this stage, however, continued to encounter "systems" problems in the job assignment process (see Chapter IV), but the vast majority of enrolled youths -- 93.1 percent across the 17 sites -- received the jobs to which they were entitled.

The Effect and Effectiveness of Eligibility Monitoring

Enforcement of the eligibility criteria also had an impact on participation. As discussed in Chapter II, documentation was required at the youths' enrollment to prove their residence, citizenship, age, their school enrollment, and economic disadvantage (see Chart II-1). Presumably, the effectiveness of these guidelines and the degree to which they were enforced had an impact on the number of participating youths, both eligible and not.

In order to examine both the adequacy and enforcement of these requirements, a quality control review of program eligibility and intake was undertaken in three sites: Baltimore, chosen as a partial city site; Cincinnati, a full-city project; and Mississippi, a rural site.[1] The study verified initial eligibility and its current status for a random sample of the program youths who had enrolled between March 1 and July 31, 1979. All five criteria were checked, using documentation or independent collateral sources to verify the information provided by the youths. The quality control review, however, required more stringent proof than that required by the program regulations. For example, in the case of economic disadvantage, while the regulations allowed an income statement signed by the head of household, the quality control procedure required documentation in the form of pay stubs or some similar evidence.

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[1] Joan Leiman, Quality Control of Eligibility: Results of a Pilot Project, Youth Entitlement Demonstration, New York: MDRC, June 1980.

In Baltimore, 83.2 percent of sample youths were eligible at enrollment, 13.1 percent were proven ineligible, and 3.7 percent were assumed ineligible. This last group comprised youths who had been contacted but were unable to provide the information needed to assess their eligibility. Similar figures were found for Cincinnati: 81.6 percent were eligible, 12.4 percent were not, and 6 percent were categorized as ineligible. For Mississippi, however, only 53.8 percent of youths were eligible at enrollment, 35.5 percent were not, and 10.7 percent were also deemed ineligible. In the overwhelming majority of the cases at all three sites, the cause of ineligibility was economic status.[1] In Mississippi alone, this reason accounted for 92 percent of all ineligibility.

In looking for the reasons for this disparity between the sites, it was discovered that in Baltimore and Cincinnati, supplemental documentation to the income statement was required throughout the demonstration as a proof of eligibility; in Mississippi, it was not. It would appear that, while documentation requirements in the guidelines seemed stringent compared to current CETA practices, a parent's income declaration was not as accurate a proof of income as a pay stub or a W-2 form. Thus, while YIEPP eligibility screening requirements were workable, it would seem advisable for an entitlement program to require independent documentation of family income to control ineligibility more tightly.

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[1] It should be noted that of those youths found to be ineligible for reasons of family income or welfare status, 40 percent would have been eligible under the alternative definition of "economically disadvantaged" used by CETA, which was family income at or below 70 percent of the Bureau of Labor Statistics' Lower Living Standard. See Leiman, p. 26.

Stricter policies would, however, discourage some other eligible youths from joining. This is suggested in Table III-7, where some eligible youths, particularly in Baltimore, did not enroll because the needed documentation or information was hard to get. Additionally, some other eligible Baltimore youths said they were found ineligible.[1] The reason for this finding may be in the timing: the survey sample consisted of youths who had been eligible in the spring of 1978. By the fall of 1979, it is quite possible that some had become ineligible and were thus excluded from participation. It is also likely, however, that some youths were erroneously found ineligible.

Other Site Experiences

If the data were available to create participation funnels for the other 13 demonstration sites, it is quite likely that each funnel would assume a different shape, for reasons similar to the ones discussed above. Enrollment levels, for example, in the King-Snohomish site were lower than expected. The reason was in part a generally good economy in Seattle during the demonstration period, a situation that parallels Denver's, where the labor market had a relatively strong, downward influence on participation. Additionally, the target population in King-Snohomish was predominantly white, a group with usually low participation rates.

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[1] It is also worth noting that the table supports the findings of the quality control study with respect to the differences between Baltimore, Cincinnati, and Mississippi. None of the non-applicants in Mississippi report that documentation of eligibility prevented them from enrolling, and the number reporting ineligibility as a reason for not enrolling is lower in Mississippi than in either Baltimore or Cincinnati.

Detroit, in contrast, resembled Baltimore. Both sites had weaker labor markets, and both gave the program high priority, as evidenced by the mayoral interest they received. Detroit, like Baltimore, made a strong recruitment effort. Boston, on the other hand, had problems in assigning youths to jobs, primarily because the site's matching system was too complicated. As in Mississippi, there were backlogs of youths waiting for their jobs.

The Tier II sites had fewer systems problems in the processing of applicants to jobs; they were more troubled by outreach factors. Many of the Tier II projects were managed by school systems, which placed greater emphasis on recruitment of the in-school youths than on locating drop-outs. That, and the scarcity of alternative educational programs, account in part for Tier II's low proportion of participating drop-outs. Another problem, notably in Dayton and in Philadelphia, stemmed from the fact that there were fewer eligible youths by far than these sites had originally projected, thereby leading to a small number of participants.

Another factor influencing participation should be mentioned. Certain YIEPP staffs believed that drop-out youths either needed more attention than YIEPP could offer or that there should not be a school requirement tied to the offer of a job. For instance, out-of-school recruitment agents in King-Snohomish and in Cincinnati reported in some cases that they would assign YIEPP-eligible drop-outs to other CETA programs that provided more supportive services, or that did not ask for school attendance. In other cases, poor performance or lack of effort on the part of program agents affected participation negatively.

Length of Participation

YIEPP participation can also be examined from the perspective of duration. How long did youths stay in the program once they were assigned to jobs? The answer to this question, like the participation rate, has implications for the program costs -- a longer stay means higher wage costs -- and also for potential program impacts on the youths. While later impact studies will examine this relationship, a description can be given here of the duration of participation for various groups of youths. The reasons for any differences can be observed through data in the program information system.

To begin with, Table III-8 breaks down the distribution of the demonstration youths according to their prior school status and by the number of months they actively participated in the program.[1] The table clearly shows the differences between the in-school youths and drop-outs, with the former, who comprised the large majority of partici-

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[1] These data measure "active time" -- the period between date of first assignment and date of last assignment -- thereby eliminating waiting time between enrollment and job assignment but including inactive spells between first and last day assigned. On average, youths actually worked for 75 percent of the time they were active.

TABLE III-8

DISTRIBUTION OF PARTICIPANTS BY MONTHS ACTIVE AND PRIOR EDUCATION STATUS

Tier and Number of Months Active[a]	In-School/GED		Out-of-School	
	Number	Percent	Number	Percent
TIER I				
1 - 6 Months	24,901	41.2	3,901	62.1
7 - 12 Months	15,006	24.8	1,445	23.0
13 - 18 Months	11,384	18.8	572	9.1
19 - 24 Months	5,591	9.3	257	4.1
25+ Months	3,589	5.9	110	1.7
Total	60,471	100.0	6,285	100.0
TIER II				
1 - 6 Months	3,901	47.0	242	70.6
7 - 12 Months	2,164	26.1	69	20.1
13 - 18 Months	1,299	15.6	21	6.1
19 - 24 Months	594	7.2	5	1.5
25+ Months	345	4.1	6	1.7
Total	8,303	100.0	343	100.0
TOTAL DEMONSTRATION				
1 - 6 Months	28,802	41.9	4,143	62.5
7 - 12 Months	17,170	25.0	1,514	22.8
13 - 18 Months	12,683	18.4	593	8.9
19 - 24 Months	6,185	9.0	262	4.0
25+ Months	3,934	5.7	116	1.8
Total	68,774	100.0	6,628	100.0

SOURCE: Tabulations of Enrollment and Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all activity in the 17 demonstration sites during the period from February 1978 through August 1980. Included in the table are only those youths who were assigned to jobs for at least one day, and whose enrollment forms specified their educational status in the semester prior to enrollment in Entitlement.

[a] Active time is measured from the first date assigned to the last date assigned, and includes any time in hold or terminated status within that time span.

pants, taking part for longer periods. For example, the majority of in-school youths (59 percent) participated for over six months, while most of the returning drop-outs (62 percent) stayed less than half a year. A fair proportion of both groups stayed in the program longer than one year: 33.1 percent of in-school youths, and 14.7 percent of drop-outs. On the whole, the Tier II youths participated a shorter time than Tier I youths, a difference probably caused by more effective application of school standards and other ongoing eligibility requirements. Other data from the EIS reveal that, on the average, youths participated in the program for about 41 weeks, with in-school youths staying 42 weeks (about 10 months) and drop-out youths an average of 27 weeks (around 6 months).[1]

A better sense of what this distribution would look like in an ongoing program can be seen in Table III-9, which shows the length of stay by age and prior school status for an early cohort of participants: those who joined the program during 1978. A focus on this cohort will reduce, if not eliminate, the effect on length of stay that the conclusion of the demonstration would have caused.[2]

As can be seen from Table III-9, the younger cohorts do exhibit

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[1] Length of participation figures from the Entitlement Information System were generally lower than those found in the impact study. See Second Impact Report, Chapter 3. This is the result of a number of factors, including the expansion of the demonstration jurisdictions in the last year of the project, which brought into the program new eligibles, who had shorter participation periods. This was particularly the case in the non-impact study sites.

[2] It is also true that the start-up period, as in any program, was atypical and length of stay for this cohort is probably biased upward by problems in the implementation of ongoing eligibility and performance monitoring systems. Nevertheless, the elimination of truncation problems allows for a more accurate picture of what would happen during an ongoing program than using the full data set.

TABLE III-9

DISTRIBUTION OF 1978 ENROLLEES IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY AGE AT ENROLLMENT, MONTHS ACTIVE, AND PRIOR EDUCATION STATUS

Age at Enrollment	Months Active[a]	In-School/GED		Out-of-School	
		Number	Percent	Number	Percent
15/16 Years Old	1-6 Months	3,721	19.5	302	45.1
	7-12 Months	3,550	18.6	126	18.8
	13-18 Months	4,198	22.0	99	14.8
	19-24 Months	4,676	24.5	90	13.5
	25+ Months	2,939	15.4	52	7.8
	Total	19,084	100.0	669	100.0
17 Years Old	1-6 Months	4,270	38.1	420	49.3
	7-12 Months	2,903	25.9	189	22.2
	13-18 Months	2,185	19.5	113	13.3
	19-24 Months	1,076	9.6	84	9.9
	25+ Months	773	6.9	45	5.3
	Total	11,207	100.0	851	100.0
18 Years Old	1-6 Months	2,644	55.0	475	51.0
	7-12 Months	1,082	22.5	222	23.9
	13-18 Months	740	15.4	152	16.3
	19-24 Months	245	5.1	65	7.0
	25+ Months	96	2.0	17	1.8
	Total	4,807	100.0	931	100.0
19 Years Old	1-6 Months	907	67.0	417	65.5
	7-12 Months	322	23.8	183	28.7
	13-18 Months	102	7.5	24	3.8
	19-24 Months	15	1.1	13	2.0
	25+ Months	8	.6	0	.0
	Total	1,354	100.0	637	100.0

SOURCE: Tabulations of Enrollment and Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all activity in the 17 demonstration sites during the period from February 1978 through August 1980. Included in this table are only those youths who enrolled during 1978, who were assigned to jobs for at least one day, and whose enrollment forms specified their educational status in the semester prior to enrollment in Entitlement.

Percents may not add exactly to 100.0 because of rounding.

[a] Active time is measured from the first date assigned to the last date assigned, and includes any time in hold or terminated status within that time span.

longer program stay than the participants taken as a whole. The majority of the in-school, 15/16-year-old youths (61.9 percent) participated for over one year, and close to 41 percent took part in it for over 18 months. For 15/16 year-olds previously out-of-school, there was a heavy concentration staying just six months or less. The group as a whole, however, was more evenly distributed over longer periods, with 36.1 percent staying in the program over a year.

Not surprisingly, length of stay decreased among the older cohorts as the effects of age and graduation took hold. However, the differences between youths previously in school and out of school grew smaller with age. Average length of stay shows that the previously in-school members of the youngest cohort participated 64.8 weeks or about 15 months. Previously out-of-school members of the cohort stayed 44 weeks, or a little over 10 months.

To examine the determinants of length of stay more closely, regression analysis was carried out on a randomly selected sample of 5,902 participants.[1] The analysis hypothesized that length of stay could be affected by age at enrollment, sex, ethnicity, highest grade at enrollment, whether the youth had ever dropped out of school, school status in the program, whether the youth was ever employed before enrollment, and the sector of program job assignment. Separate analyses were conducted for the in-school youths and drop-outs the semester prior to enrollment.

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[1] The analyses were multivariate: that is, the results were adjusted to provide an understanding of the independent effect of each of the predictors or independent variables. The full methodology for this analysis is provided in Appendix C.

Finally, the measurable effects of date of entry, as well as site, were statistically controlled for in order to observe the effects of other variables of interest.[1]

The results of the analysis, presented in Table III-10, emphasize the consistency with which the prior school status of the youths determined their length of stay. This variable accounted for differences across all other measured characteristics.

Characteristics that were found to be related to length of stay at a high level of statistical confidence were:

- *Age*: Not surprisingly, given earlier findings, age was highly correlated with length of participation. Younger teenagers participated longer than older ones.

- *Sex*: Previously out-of-school females participated about three weeks longer than males. (There was virtually no difference by sex for previously in-school youths.) This may be due to the greater opportunities available to males in the unsubsidized labor market, causing them to leave the program sooner.

- *Ethnicity*: Black out-of-school youths stayed about six weeks longer than whites. This is in keeping with higher participation rates among blacks. Here again the effects of a labor market more favorable to white youths can be discerned. (Hispanic drop-outs appeared to stay a little longer than white drop-outs, but the difference was not statistically significant.) No differences could be discerned for in-school youths.

- *Highest grade at enrollment*: In both the in-school and out-of-school categories, youths who had completed the ninth grade at the time of enrollment stayed longest of all. These youths were high school sophomores with three more years of school eligibility. In-school youths who had completed fewer than nine school grades stayed about a week-and-a-half less than the ninth-grade completers, probably because youths who had fallen

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[1] This does not, however, remove the effect of truncation. All of the sites operated YIEPP projects for a year after the demonstration ended. Youths who continued for all or part of that year were treated as if their length of stay ended as of August 31, 1980. This biases the other averages downward.

TABLE III-10

AVERAGE WEEKS ACTIVE DURING THE YOUTH ENTITLEMENT DEMONSTRATION, BY PARTICIPANT CHARACTERISTICS AND PRIOR EDUCATION STATUS

Characteristics	Average Weeks Active: In-School Youths	Average Weeks Active: Out-of-School Youths
Age at Enrollment:[a]		
16 (reference group)	46.8	38.7
17	41.2***	34.6***
18	35.7***	30.6***
19	30.2***	26.5***
Sex:		
Male	41.4	32.8***
Female (reference group)	40.7	36.0
Ethnic Group:		
Black, Non-Hispanic	41.3	35.9***
Hispanic	41.1	33.0
White, Non-Hispanic/ Other (reference group)	40.2	29.9
Highest Grade Completed Prior to Enrollment:		
8 or Less	44.9***	34.8
9	46.2***	36.5**
10	42.0***	33.4
11 (reference group)	27.4	32.9

Characteristics	Average Weeks Active: In-School Youths	Average Weeks Active: Out-of-School Youths
Ever Dropped Out of School Prior to Enrollment:		
Yes	35.9***	not applicable
No (reference group)	41.9	not applicable
School Status at Enrollment:		
In High School (reference group)	42.0	34.7
In GED/Equivalency Program	33.0***	32.8
Ever Employed Prior to Enrollment:[b]		
Yes	39.8**	33.3
No (reference group)	41.7	35.2
Sector of Entitlement Job Assignment:		
Public Sector Only (reference group)	38.4	30.6
Non-Profit Sector Only	36.4*	30.9
Private Sector Only	29.2***	26.0***
More Than One Sector	52.6***	45.9***
Average Weeks Active	41.0	34.5
Number of Cases	3,734	1,876

SOURCE: Enrollment and Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The averages shown were calculated for a random sample of 5,610 youths who were in-school or out-of-school in the school semester prior to enrollment in Entitlement, who worked in an Entitlement job, and for whom complete characteristics data were available. The samples are weighted to reflect the relative size of each site.

All averages are regression adjusted using a model which uses dummy variables to control for site effects, and month-of-first-job-in-Entitlement to control for data of entry to the program. Separate models were estimated for in-school and out-of-school youths, and the averages were produced using the mean values of each variable for all participants in the demonstration. This means that differences in length of stay between in-school and out-of-school youths are not due to differences in the characteristics of these youths.

Average weeks active for in-school youths are significantly different from average weeks active for out-of-school youths at the 1 percent level, except for the following groups: Assigned to Private Sector Only (5 percent level); and in GED/Equivalency Program (no significant difference).

Average weeks active are significantly different from the reference group at the 10(*), 5(**), and 1(***) percent levels using two-tailed tests.

[a] Age is a continuous variable. Fitted values are for ages 16.0, 17.0, etc.

[b] Includes both subsidized and non-subsidized employment.

behind in school were more likely to drop out of school and the program before graduation. Eleventh grade in-school completers stayed in the program for a much shorter period than other in-school youths because of their proximity to high school graduation.

- Ever dropped out prior to enrollment: Youths in school the semester prior to enrollment, who had previously dropped out of school at one point or another, were not as likely to participate as long as youths who had never dropped out.

- School status at enrollment: Previously in-school youths who were in a GED program at enrollment participated about nine weeks less than youths in high school degree-granting programs. Two possibilities exist. One is that GED participants were more likely to get their degrees sooner than youths in regular programs. A second is that GED participants, on the whole, were less attached to school than youths in regular high school programs, and were likely to drop out of the program sooner. These possibilities are examined later with termination data.

- Employed prior to enrollment: Youths employed prior to enrollment were likely to remain about two weeks less than youths who had not been employed, a difference that was statistically significant only for previously in-school youths.

- Sector of job assignment: Youths assigned to only private sector worksites stayed less time than youths assigned only to nonprofit or public sector worksites. As shown later, youths in the private sector were also more likely to resign from the program than leave for other reasons. These data suggest that youths assigned to private sector jobs may have had greater access to unsubsidized jobs in the labor market and may have left the program sooner to obtain them.

  The youths who stayed longest had been assigned to worksites in two or more sectors. For this last group of youths, the relationship between the number of sector assignments and length of stay is explained by the probability that youths who remained longest were the ones most likely to have had more than one job assignment in the program.

In summary, these regression findings parallel those relating to participation rates. In-school youths, just as they were more likely to join the program, stayed longer than the former drop-outs. Younger youths participated longer than the older ones, and black youths stayed a longer time than whites. Conversely, the previously in-school youths attending GED programs participated for shorter periods than youths enrolled in regular school programs, and those assigned to private sector jobs left the program sooner than youths assigned to public or nonprofit sector jobs. Lower lengths of stay for youths assigned to private sector jobs may result in part from staffs in certain areas assigning the more "job-ready" youths to businesses.

Termination

The final aspect of participation is, of course, termination, and it is reported in Table III-11. As shown, 26.8 percent of all the youths enrolled in YIEPP were still participating at the demonstration's end. Of those youths terminated, 32 percent had graduated, 16.8 percent were terminated for dropping out of school and 6.7 percent were terminated because of other changes in their eligibility status. Enforcement of the school performance standards led to the termination of 2.7 percent, while violation of job standards accounted for a much larger number of the terminations (13.1 percent). Youth-initiated resignations comprised another 18.3 percent, with other reasons adding up to 10.4 percent of the total.

Differences can again be seen between youths previously in school and out of school. Drop-out youths were half as likely to stay in the demonstration to the end, and about three-and-one-half times more likely to have terminated by dropping out of school. They were also more likely to have left because of unsatisfactory school and work performance.

A regression analysis was conducted to determine the relationships, if any, between the termination reasons and youth characteristics, the unemployment rate by site, and the sectors of the job assignments.

TABLE III-11

OUTCOMES OF PARTICIPANTS AT THE END OF THE YOUTH ENTITLEMENT DEMONSTRATION, BY PRIOR EDUCATION STATUS

Outcome	In-School Youths	Out-of-School Youths	All
Total Number of Participants	68,788	6,631	76,051
Status at End of Demonstration:			
Percent Still Enrolled	28.0	13.8	26.8
Percent Terminated	72.0	86.2	73.2
Percentage Distribution of Terminees, by Reason:			
Graduated High School	34.6	10.6	32.1
Other Ineligibility (age, economic disadvantage, residency)	6.7	6.1	6.7
Unsatisfactory School Performance	2.6	3.1	2.7
Dropped Out of School	13.3	45.7	16.8
Unsatisfactory Program/Job Attendance or Performance	12.8	15.3	13.1
Resigned	19.0	13.6	18.3
Other	10.8	5.5	10.4
Total	100.0	100.0	100.0

SOURCE: Tabulations of Enrollment and Status Forms in the Youth Entitlement Demonstration Information System.

NOTES: A participant is an enrollee who worked in an Entitlement job for at least one day. Prior education status refers to the youth's school status in the semester prior to enrollment in Entitlement. The total number of participants shown here does not equal the sum of the in-school and out-of school youths because of the existence of a small number of youths with no specified prior education status.

The outcomes presented show the program status as of the last day of the Demonstration (August 31, 1980).

Percents may not add exactly to 100.0 because of rounding.

Termination reasons were divided into three mutually exclusive categories: (1) negative terminations, which included dropping out of school or termination because of poor job or school performance and attendance; (2) resignations for any reason; and (3) all other reasons, which included high school graduation or losing eligibility.

As in the regression analysis discussed earlier on length of stay, the results were then adjusted to examine the independent effect of each set of variables. Individual site effects were also controlled for. The results in Table III-12 show:

- Age: Older terminees were more likely to have terminated for negative reasons than younger ones. This probably reflects the harder time that older eligibles had in coping with school. Because they left more often for negative reasons, older terminees were less likely to have resigned.

- Sex: Differences were small. Males were more likely to resign than females, and they less often left for other reasons, possibly reflecting, once again, their greater opportunity in the unsubsidized labor market. Differences in negative terminations were slight and not statistically significant.

- Ethnicity: Black and Hispanic terminees were more likely to have been terminated for negative reasons than whites, but blacks were also more likely to leave for other reasons, including graduation. This appears due to the greater tendency of whites to resign from the program than either blacks or Hispanics, probably to take advantage of their higher chances of finding work outside the program. Hispanic terminees resigned less often than whites, but more often than blacks.

- Highest Grade at Enrollment: Highest grade attained had a large effect on termination outcomes. The less schooling the youths had, the more likely they were to have been terminated for negative reasons, such as dropping out of school or poor school performance. In addition, sophomores, juniors and seniors had a greater opportunity to stay with the program through graduation, and, as this table suggests, were more likely to do so. Not surprisingly, seniors (eleventh-grade completers) were the group least likely to leave for negative reasons or to resign, and most likely to terminate for other reasons, primarily graduation.

TABLE III-12

PERCENT OF ALL TERMINATIONS FOR NEGATIVE, RESIGNATION, AND OTHER REASONS, BY PARTICIPANT CHARACTERISTICS AND AVERAGE SITE UNEMPLOYMENT RATE

Characteristics	Percent of All Terminations		
	Negative	Resignations	All Other
Age at Enrollment[a]:			
16 (reference group)	31.6	19.7	48.7
17	34.6***	18.6	46.8**
18	37.7***	17.5	44.8
19	40.7***	16.4	42.9
Sex:			
Male	35.8	20.6***	43.6***
Female (reference group)	34.5	16.6	48.9
Ethnic Group:			
Black, Non-Hispanic	36.8***	15.4***	47.8**
Hispanic	37.2***	20.1***	42.8
White, Non-Hispanic/Other (reference group)	28.9	28.0	43.1
Highest Grade Completed Prior to Enrollment:			
8 or Less	51.1***	19.0***	29.9***
9	46.2***	21.3***	32.5***
10	29.0**	19.9***	51.1***
11 (reference group)	24.5	12.3	63.2
Ever Dropped Out of School Prior to Enrollment:			
Yes	41.6***	20.1	38.3***
No (reference group)	33.8	18.1	48.1
School Status at Enrollment:			
In High School (reference group)	32.6	19.4	48.0
In GED/Equivalency Program	53.2***	11.4***	35.5***
Ever Employed Prior to Enrollment:[b]			
Yes	34.1	19.3	46.6
No (reference group)	35.8	17.9	46.3
Sector of Entitlement Job Assignment:			
Public Sector Only (reference group)	32.9	17.3	49.8
Non-Profit Sector Only	35.9	17.8	46.3*
Private Sector Only	36.9*	26.6***	36.5***
More Than One Sector	37.3**	17.0	45.7**
Average Site Unemployment Rate:[c]			
4%	25.7***	29.7***	44.6
6% (reference group)	33.4	20.4	46.1
8%	41.2***	11.2***	47.6
Average Outcome	35.1	18.4	46.4
Number of Cases		3854	

SOURCE: Enrollment and Status forms in the Youth Entitlement Demonstration Information System; and "Employment and Earnings", published monthly by the U.S. Department of Labor, Bureau of Labor Statistics.

NOTES: The averages shown here are regression adjusted and calculated from a combined sample of youths who were in-school or out-of-school in the school semester prior to their enrollment in Entitlement, who worked in an Entitlement job, who had been terminated as of the end of the Demonstration, and for whom complete data were available on all variables used in the model. The sample is weighted to reflect the relative size of each site and the proportion of in-school and out-of-school youths in each site.

The sample includes no observations from Alachua County, Berkeley, and Steuben County, because unemployment rates were not available for those sites.

(continued)

TABLE III-12 (Continued)

"Negative Terminations" are: unsatisfactory school/program performance or attendance; and dropping out of school. "Resignations" are voluntary departures by youths who are still in school at the time of termination. "Other Terminations" include all other reasons, such as: graduation; ineligibility for age, income, or residency; loss of contact; and end of Demonstration.

Percents are significantly different from the reference group at the 10(*), 5(**), and 1(***) percent level. Significance levels for age and unemployment rates are for a change of one year or one percentage point of unemployment.

[a] Age is a continuous variable. Fitted averages are for the ages 16.0, 17.0, etc.

[b] Includes both subsidized and unsubsidized employment.

[c] Refers to the average monthly unemployment rate during the Demonstration period at a given site.

- Employed Prior to Enrollment: This factor had no large or significant effect on reasons for termination.

- Ever Dropped Out: Youths who had dropped out of school at some point prior to enrollment were more likely to terminate for negative reasons and less likely to terminate for other reasons, including graduation. This may be due to problems in school performance and the generally lower attachment of former drop-outs to school and the program than youths who had always been in school. Both groups of terminees resigned at about the same rate.

- School Status at Enrollment: Youths in GED programs were far more likely to terminate for negative reasons than were youths in high school degree-granting programs. They were also less likely to resign. This suggests that their shorter length of participation, discussed earlier, was due to problems in school.

- Sector of Job Assignment: Terminees who had been assigned to the private sector only were more likely to resign than leave for other reasons. The higher percentage of youths resigning in the private sector and their shorter length of participation shown earlier may reflect the greater opportunities for these youths outside the program (at longer hours or higher wages) because of their private sector jobs. There was also some evidence that private sector employers were, in some cases, hiring youths whose period of eligibility, and therefore participation, was drawing to a close. A survey of private sector employers in YIEPP indicated that 19 percent were hiring their YIEPP workers onto their payrolls.

- The Unemployment Rate: The unemployment rate had a fairly large effect on reasons for termination. The likely explanation is that there was a trade-off between resignations and negative terminations. When the unemployment rate was low, and the demand for labor high, youths were more likely to resign for other employment, and therefore less likely to be terminated for negative or other reasons. When the unemployment rate was high, and labor demand low, youths were less likely to resign. As a consequence, the other termination reasons became higher. It is also possible that at times of labor surplus, as indicated by a higher unemployment rate, worksite sponsors were less likely to be tolerant of poor performance, and more likely to enforce the program performance and attendance standards.

These findings show that the same set of characteristics, for the most part, determined several critical elements in participation as a whole: the choice to participate, the length of stay, and the reason for termination. Younger eligibles, and those with higher grade completion, were more likely to come into the program, stay longer, and less likely to leave for negative reasons than older, less schooled youths. White eligibles, with greater opportunities in the labor market than blacks, participated at a lower rate, stayed a shorter time (at least, the former drop-outs did), and resigned more frequently than minority youths. Males resigned more often than females -- also, it would seem, because of better opportunities in the unsubsidized labor market. Finally, drop-outs were less likely to participate, stayed a shorter time, and were more likely to leave than in-school youths. Whether and to what degree these various patterns affect post-program impacts is at the present time not known. Reports from the final impact analysis to be published in 1983 should provide some answers.

Effects of Eligibility and Performance Monitoring

From the analyses above, it is clear that the characteristics of participants helped to determine how long youths stayed in the program and why they left it, although the local labor market could also influence their behavior. But it is equally evident from observations in this report that program implementation also affected length of stay and termination. The most direct effects came from enforcement of the eligibility and performance criteria, which required termination of the youths in violation of the standards.

As noted earlier, the program regulations specified that sites[1] should periodically reverify youths' residence and family income. Age was to be monitored in an ongoing manner. While age was fairly easy to keep track of with "tickler" files or similar alert systems, and school enrollment was monitored as part of the enforcement of school standards, residency and income proved harder to verify.

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[1] Prior to 1979, the CETA system generally operated on a system whereby once clients enrolled, their eligibility was no longer an issue. The CETA amendments of 1978 strengthened the previous eligibility moni-

Procedures for reverification, in essence, required sites to repeat the income and residency certifications that were required at enrollment, and projects had some difficulty in implementing them. Part of the problem in the Tier I sites was their continued attention to the backlog problems in the job assignment process; however, prime sponsors also underestimated the amount of effort reverification would take. Five large sites chose to implement a "wave" procedure, whereby all youths verified over a particular period were handled and reverified at once. Others used a continuous "rolling" system, whereby youths were checked as they came due. Reverification went more smoothly using the latter procedure, although there were still many small problems in the larger sites.[1] On average, smaller Tier II sites would terminate youths more often. These smaller programs, with fewer participants, had more ability

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toring requirements, however. These revisions do not require independent verification of information at enrollment, but do require a quarterly review on a random sample of new enrollees in which the application information must be verified by documentary evidence or confirmation by a third party. Many sponsors thus chose to verify information for all enrollees at entry in order to protect themselves from liability and to conduct the quarterly reviews largely through a file review of documentation already obtained. William Mirengoff, Lester Rindler, Harry Greenspan, Scott Seablom, and Lois Black, The New CETA: Effect on Public Service Employment Programs: Final Report, Washington, D.C.: National Academy Press, 1980, pp. 129-130.

[1] See Second Implementation Report, pp. 87-90, for details.

to check eligibility status.

Although sites spent a great deal of effort in establishing procedures, neither residence nor income changes proved to be significant sources of ineligibility. The study on quality control reviewed the sample members' eligibility both initially and at the time the data were obtained. It found that of the 408 sample members eligible at enrollment, 10.8 percent enrolled had since become ineligible:[1] 5.6 percent were proven ineligible for reasons of school enrollment status, 4.4 percent because of economic status, and 1 percent because of change in residence. Given the relatively small differences in income and residency status between the initial verification and the reverification, the study recommended that an annual check on all participants be dropped, and that reverification be carried out only for youths remaining in the program for long periods of time. In light of the problems in implementing reverification procedures, the recommendation seems to be a sensible one for future programs. Additionally, the study recommended that resources be spent instead on systems which could verify the eligibility of a sample of new enrollees.

The degree of ineligibility traced to school status is, of course, disturbing. It should be noted, however, that one site, Cincinnati, was responsible for over half of this (of the 23 youths found school-ineligible in the sample of 408, 14 were in the Cincinnati site), and that during most of the review, Cincinnati was experiencing a school strike, which may have caused disruption in the flow of data. Attendance and performance monitoring in the schools was a problem common to most sites throughout the demonstration period, as discussed more fully in Chapter V. Work performance standards, on the other hand, were monitored and enforced more easily, as suggested in Table III-11, and discussed in Chapter IV.

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[1] Leiman, p.6.

There were, however, some underlying problems that the statistics do not show. One was a disinclination among some project staffs, particularly at the counselor level, to terminate the youths who were forced to be in violation of attendance and performance standards. Interviews and conversations with prime sponsor staffs suggest the reasons for this attitude. Some program counselors felt the program represented a "last chance" for many youths. Others found termination difficult because this action meant a loss of income to families in poverty. Another disincentive to termination, from the projects' point of view, was the requirement that participant wages account for at least 60 percent of all site costs;[1] projects falling below this level were required to enforce corrective action plans, which could include reductions in staff. Large termination numbers were not, therefore, necessarily welcomed by the sites, particularly in the smaller projects where enrollment was not high.

The combined impact of these disincentives was to extend the length of participation for youths who became ineligible, or were not meeting the performance and attendance standards, especially in the schools. This situation poses the dilemma that can arise from putting a high premium on enrollment levels, while also trying to terminate youths performing poorly in a program that by design, and by staff inclination, is aimed toward helping the most disadvantaged youths earn money and complete their schooling.[1]

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[1] This requirement was initiated in grant renewal contracts beginning in January 1979. It came about because several sites had not reached the enrollment levels anticipated in their initial contracts, with the result that the costs of management services were disproportionate to the actual number of youths being served.

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[1] Another part of this bargain, which rankled some project staff, was the requirement for terminating youths at graduation, a poor reward, many felt, for successful completion of high school.

CHAPTER IV

IMPLEMENTING YIEPP WORK EXPERIENCE

Introduction

Over the course of the demonstration, the 17 YIEPP prime sponsors assigned some 76,000 youths to subsidized work experience with 10,816 sponsors, and the participants put in nearly 45 million hours of work. As the study of in-program impacts in the four pilot sites has indicated, this large-scale job creation program had substantial short-term impacts, virtually doubling the employment rates of minority youths during the school year.[1]

Earlier reports in the general implementation series have discussed strategies adopted by the individual site operators to recruit employers to provide the jobs and to match enrollees with these positions. This chapter will address, with broader focus, the patterns which developed as the YIEPP prime sponsors sought to master management of the year-round subsidized work experience.[2] Of central concern to a study of YIEPP's feasibility as an entitlement program is whether program job developers were able to establish and replenish a sufficiently large pool of employers to provide subsidized work for all enrollees. A related issue is the timeliness of the job development and assignment. In receiving referrals from intake staff, how successfully did local staff keep up with the large numbers of enrollees? At what rate did program job developers recruit work sponsors to match these new referrals?

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[1] Farkas et al., Second Impact Report.

[2] Site details that underlie demonstration-wide tables presented in this chapter are provided in Appendix A.

Because YIEPP was the only youth experiment to authorize a subsidized work experience with private businesses on a large scale, the discussion of job development will examine, in some detail, the participation of the private sector in the demonstration. The discussion will draw on an earlier, published report by MDRC, summarizing the major findings and setting in context the private sector's contribution to the YIEPP work experience.[1] In particular, the question of the willingness of businesses to employ these youths is addressed. Based on findings from a special subsidy variation experiment, did their agreement depend upon the level of the offered subsidy? What was their industrial distribution and their size of work force? How many youths did business firms agree to sponsor?

This chapter will explore these questions, beginning with discussions of prime sponsor strategies to implement the YIEPP job guarantee. It will also document the rate and speed of youths' assignments to their jobs and the types of work to which they were assigned. Subsequent sections will address the quality of the worksites, particularly the factors that determined good quality worksites, and look for any quality differences stemming from program scale or economic sector of the sponsor.[2] The chapter will conclude with a discussion on the policy lessons that emerged from this job creation effort, especially the practices that facilitated the establishment of large-scale, year-round work experience, the factors mitigating the development of "make-work" jobs, and the trade-offs inherent in the dual requirement to create meaningful jobs while simultaneously avoiding the displacement of other workers.

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[1] For the more detailed presentation of findings on the private sector role, see Joseph Ball and Carl Wolfhagen, The Participation of Private Businesses as Work Sponsors in the Youth Entitlement Demonstration, New York: MDRC, March 1981, p. 47.

[2] Joseph Ball, David Gerould and Paul Burstein, The Quality of Work in the Youth Entitlement Demonstration, New York: MDRC, April 1980.

Patterns of Job Assignment

The ability of prime sponsors to develop large quantities of subsidized work experience positions and to assign participants to them had previously been tested in the annual Summer Youth Employment Program and in the Public Service Employment program, as Chapter II has noted. However, YIEPP, because it was a year-round, open enrollment program, imposed some different conditions. An undetermined quantity of youths could join the program at any time, and they were all entitled to a job. While the enrollment staff were certifying applicants' eligibility, job assignment staff and job developers (sometimes the same staff, depending on the project's size) at the same time they had to find jobs and prepare to match large numbers of enrollees with them on an ongoing basis, and in as short a time as possible.

Cumulatively, as Table IV-1 indicates, job assignment personnel assigned some 93 percent of all enrollees to work experience positions or to training; no site assigned a lower proportion than 87 percent. These data from the information system are consistent with the self-reports of eligible youths in the four pilot sites. Some 92 percent of interviewed youths enrolled in YIEPP reported assignment to a job. It should be noted, however, as Chapter III discussed, that some in-

TABLE IV-1

YOUTHS ASSIGNED TO JOBS IN THE ENTITLEMENT DEMONSTRATION

Site	Number of Youths Enrolled	Percent Never Assigned	Percent Assigned	Average Days Pending First Assignment
TIER I				
Baltimore	17,764	3.7	96.3	40
Boston	11,295	13.3	86.7	66
Cincinnati	5,632	9.5	90.5	52
Denver	4,301	18.2	81.8	38
Detroit	13,115	6.5	93.5	31
King-Snohomish	6,908	6.7	93.3	11
Mississippi	13,291	2.5	97.5	9
Total Tier I	72,306	7.1	92.9	35
TIER II				
Alachua County	477	.4	99.6	17
Albuquerque	1,600	2.0	98.0	11
Berkeley	1,374	7.1	92.9	35
Dayton	356	2.2	97.8	22
Hillsborough	333	1.8	98.2	24
Monterey	677	8.7	91.3	21
New York	1,591	5.5	94.5	25
Philadelphia	684	.1	99.9	1
Steuben County	363	4.1	95.9	18
Syracuse	1,810	9.2	90.8	42
Total Tier II	9,265	5.1	94.9	24
TOTAL DEMONSTRATION	81,571	6.9	93.1	33

SOURCE: Tabulations of Enrollment and Status Change forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all youths enrolled in the 17 sites during the period from February 1978 through June 1980.

terested, eligible youths were lost among the steps of the enrollment process.

That the YIEPP sites succeeded in keeping up with the large numbers of enrollments is indicated by the amount of time that lapsed between the dates the youths enrolled and subsequent job assignments. Throughout the demonstration period, the average waiting period was 33 days, reflecting the ability of the projects to assign youths in a relatively short time. Half of the enrollees were, in fact, employed within 21 days (48 percent at Tier I sites; 63 percent in Tier II sites).[1]

When the lag between enrollment and assignment over time is studied, (Chart IV-1) the projects show a learning curve, with their performance gaining steadily with succeeding cohorts of enrollees after the initial months in 1978.[2] Problems were most acute in the month of March 1978, as projects first began operations, and at the beginning of the 1978 school year, with the first transition from full-time summer jobs to part-time school year jobs. Despite these problems, the fact that all prime sponsors had submitted written job commitments prior to the demonstration undoubtedly helped the projects to achieve a reasonably good start and make progress thereafter.

Program size, however, could affect performance of the sites, as suggested by the overall record of the tiers' assignment rates. Tier II sites placed their youths in jobs in 24 days, on average, compared to 34

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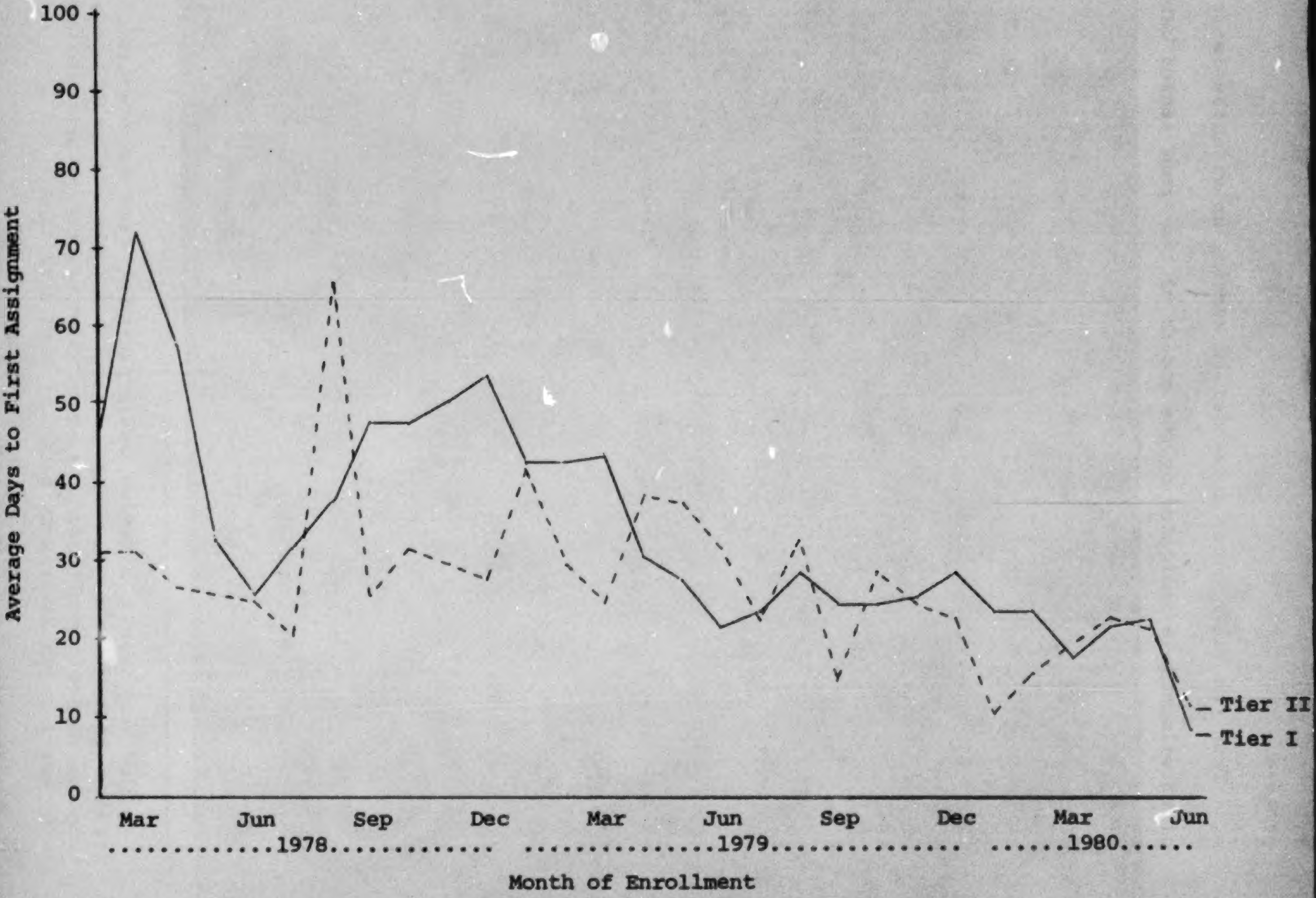
[1] The very small nine-day assignment lag time in Mississippi overstates that site's performance, since it was the practice of local Employment Service offices in several counties not to activate an enrollment until a job assignment date had been finalized.

[2] See Appendix Tables B-12 and B-13 for details by site.

CHART IV-1

AVERAGE DAYS BETWEEN ENROLLMENT AND INITIAL ASSIGNMENT OF YOUTHS TO JOB OR TRAINING, BY MONTH OF ENROLLMENT



days for Tier I projects, a 30 percent difference in the speed of job assignment. The general pattern of improvement over time was fairly similar in both tiers, as shown in Chart IV-1, but there was variation among the sites within each tier (Table IV-1).

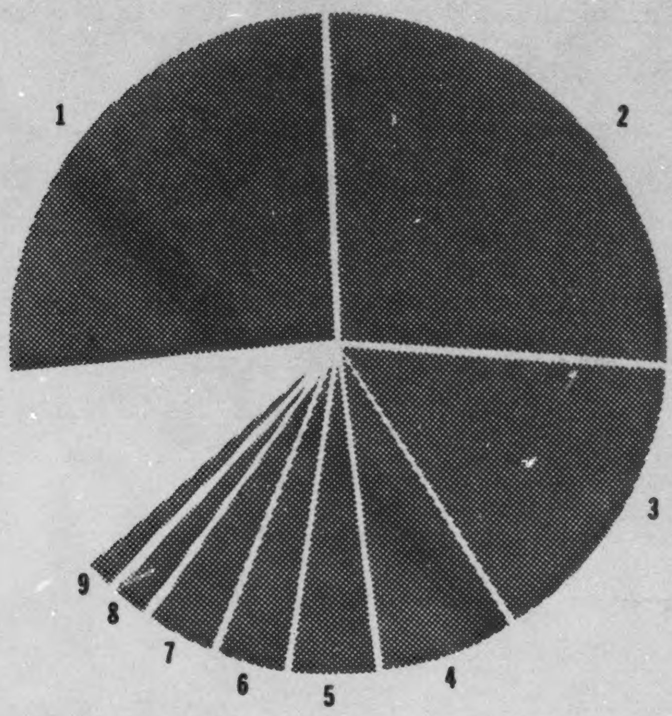
The types of work to which participants were assigned assumed a pattern which held fairly constant through the demonstration. Chart IV-2 shows that youths primarily were placed in entry-level occupational groupings, befitting their relatively minimal work experience and skill levels. More than two-thirds of all job-hours were spent in the three largest categories of jobs -- clerical (27 percent), building maintenance (26 percent), and community/recreation aides (15 percent).

YEDPA legislation authorized sponsors to assign youths either to a subsidized work experience or to training, at the higher of the federal or state minimum wage (or higher if the site received approval to develop jobs requiring more skills). As Table IV-2 indicates, however, there was very little utilization of either training or the higher-paying work experience options. Program guidelines limited training to short-term orientation of new participants before assignment, and few sites even offered this orientation. Of the few projects which attempted to develop some jobs at higher than the minimum wage, King-Snohomish (a Tier I site) and Hillsborough County (Tier II) made the only notable efforts. Hillsborough, in particular, developed a high proportion of private sector jobs, above the minimum wage, primarily in manufacturing, after consultation with relevant unions.

Work sponsors generally employed a few youths at a time; on average, 3.5. This pattern of employment remained fairly steady throughout the

CHART IV-2

DISTRIBUTION OF JOB HOURS IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY OCCUPATION



SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data represent approximately 91% of all job hours worked during the period from March 1978 through August 1980, and show only those occupations which account for 2% or more of the total job hours. The occupations represented are:

1. Building Construction, Maintenance, and Repair (26%)
2. Clerical (27%)
3. Community and Recreation Work (15%)
4. Elderly Companion and Child Care Work (7%)
5. Groundskeeping (5%)
6. Food Services (4%)
7. Teacher Aides and Tutors (3%)
8. Medical Assistants (2%)
9. Saleswork (2%)

TABLE IV-2

JOB AND TRAINING ACTIVITY IN THE ENTITLEMENT DEMONSTRATION

Item	Tier I	Tier II	Total Demonstration
Total Hours Recorded (000)	40,841.	4,458.	45,299.
Percent of All Hours Attributed to:			
Jobs	99.3	98.7	99.3
Training	0.7	1.3	0.7
Percent of Job Hours Paid at Above-Minimum Wage	0.9	2.4	1.0

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job and training activity in the 17 Entitlement sites during the period from March 1978 through August 1980.

demonstration, in early as well as later months, and in both full- and part-time work. As seen in Table IV-3, however, there were consistent differences in the numbers of youths employed by type of sponsor, with private businesses averaging no more than two youths each (and with most private businesses sponsoring only one youth). In contrast, public schools employed, on average, more than five youths each.[1]

The combination of so many in-school YIEPP participants (over 80 percent) and the attendant willingness of the schools to employ these youths helps to explain the higher assignment levels in the public education agencies. Anecdotes from site staff and from researchers indicate that the schools would sometimes serve as the "employer of temporary resort," taking youths while other job slots were developed. Table IV-3 supports this explanation, revealing that a larger number of youths worked in the public schools in the first program summer, a time when job developers were pressed by big enrollments. Assignments to both schools and other public agencies decreased thereafter.

As the demonstration progressed, the number of very large public worksites, employing more than 25 youths, also declined, although statistics on those worksites are somewhat misleading, in part because of methods used by YIEPP prime sponsors to identify their separate work sponsors. Whereas work stations in the private sector were almost always at a single location, a public agency with multiple stations was sometimes coded as a single sponsor. The apparent differences among the

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[1] See Appendix Tables B-14, B-15, and B-16 for details by site.

TABLE IV-3

AVERAGE NUMBER OF YOUTHS ASSIGNED PER WORK SPONSOR IN THE ENTITLEMENT DEMONSTRATION, BY TIME PERIOD AND SECTOR OF WORK SPONSOR

Time Period	Sector of Sponsor	Tier I	Tier II	Total
End of July, 1978 (full-time)	Private, For-Profit	2.5	1.5	2.3
	Public Education	6.4	6.7	6.4
	Other Public	5.9	5.1	5.8
	Non-Profit[a]	3.5	2.6	3.4
End of July, 1979 (full-time)	Private, For-Profit	1.9	1.8	1.9
	Public Education	5.3	4.9	5.2
	Other Public	4.5	5.0	4.6
	Non-Profit	3.3	2.3	3.1
End of July, 1980 (full-time)	Private, For-Profit	2.0	1.6	2.0
	Public Education	5.5	5.2	5.5
	Other Public	4.5	3.8	4.4
	Non-Profit	2.9	2.2	2.8
End of Oct., 1978 (part-time)	Private, For-Profit	1.8	1.5	1.8
	Public Education	5.5	3.8	5.3
	Other Public	4.8	4.2	4.7
	Non-Profit	3.2	2.0	3.0
End of Oct., 1979 (part-time)	Private, For-Profit	1.9	1.7	1.9
	Public Education	5.4	5.1	5.4
	Other Public	4.5	4.1	4.5
	Non-Profit	3.1	2.2	3.0

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job activity in the 17 sites of the Entitlement Demonstration during the last pay period of July (1978,1979, 1980) and October (1978,1979). July and October were selected as typical months of full-time and part-time activity. A "work sponsor" is an organization/company/agency where youths are placed (employed) while in the Demonstration.

[a] Non-profit sponsors include private and parochial schools, as well as community organizations.

sectors are narrowed when the ratio of the youths to supervisors is compared at actual work stations. Field visits to a random sample of 520 worksites for a special study on the quality of work showed that the youth-to-supervisor ratio was three-to-one (or less) at over 86 percent of all the public agency work sites compared to 90 percent at private businesses.[1]

While there were some large private firms participating, businesses that sponsored youths were usually small, located in the target area neighborhoods and within an easy commuting distance for participants. Nearly two-thirds of the employers interviewed for a special study on the private sector had less than 10 full-time employees, and 90 percent had less than 50.[2]

Although the job assignment patterns established early in the demonstration tended to prevail, as seen above, there was one marked exception: an increase in the number of youths assigned to private business work sponsors. While, cumulatively, 19 percent of job-hours worked by youths were in the private sector (Chart IV-3), that sector accounted for only 11 percent during the start-up months.[3] The number built up steadily, as many more youths were placed with private firms, reaching 23 percent by the final demonstration year (Chart IV-4). Additionally, almost one-third of all the youths (30 percent) at some

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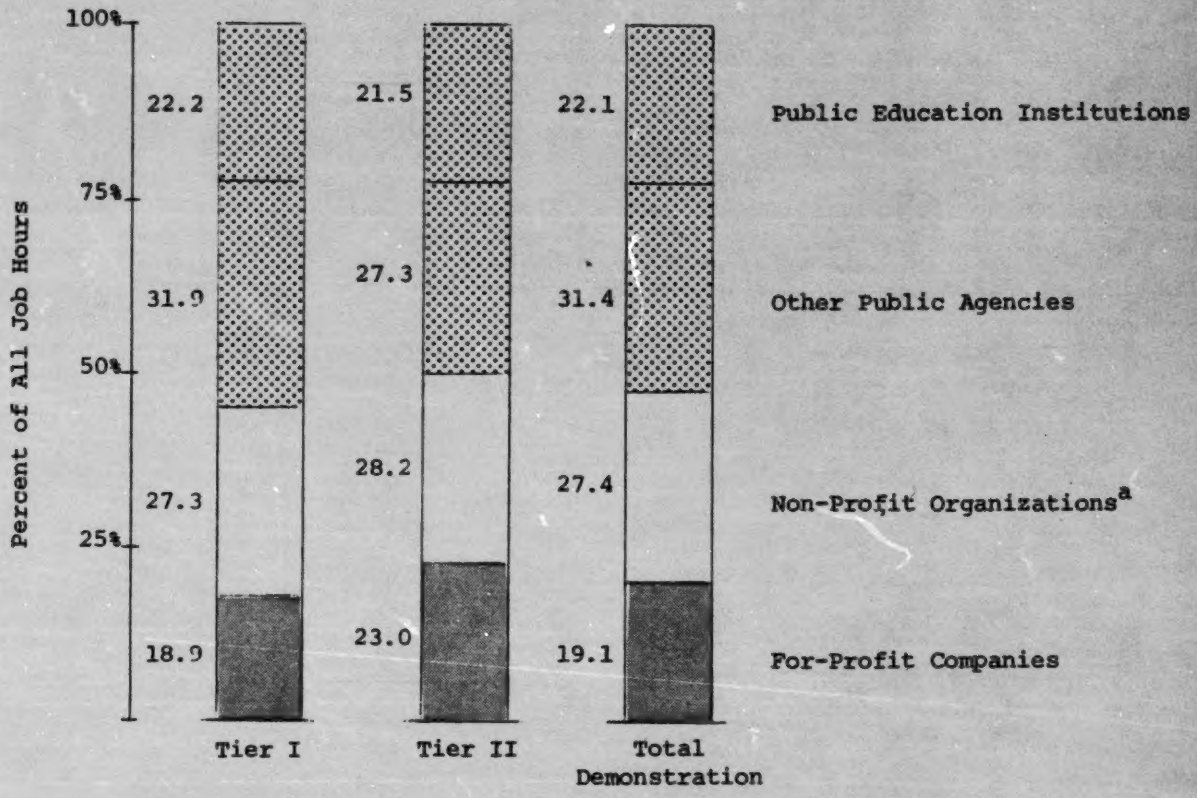
[1] See Ball, Gerould and Burstein, p. 36.

[2] See Ball and Wolfhagen, p. 47.

[3] For the distribution of job-hours by site and work sponsor sector, see Appendix Table B-14.

CHART IV-3

PERCENT OF ALL JOB HOURS WORKED IN THE ENTITLEMENT DEMONSTRATION, BY SECTOR OF EMPLOYER



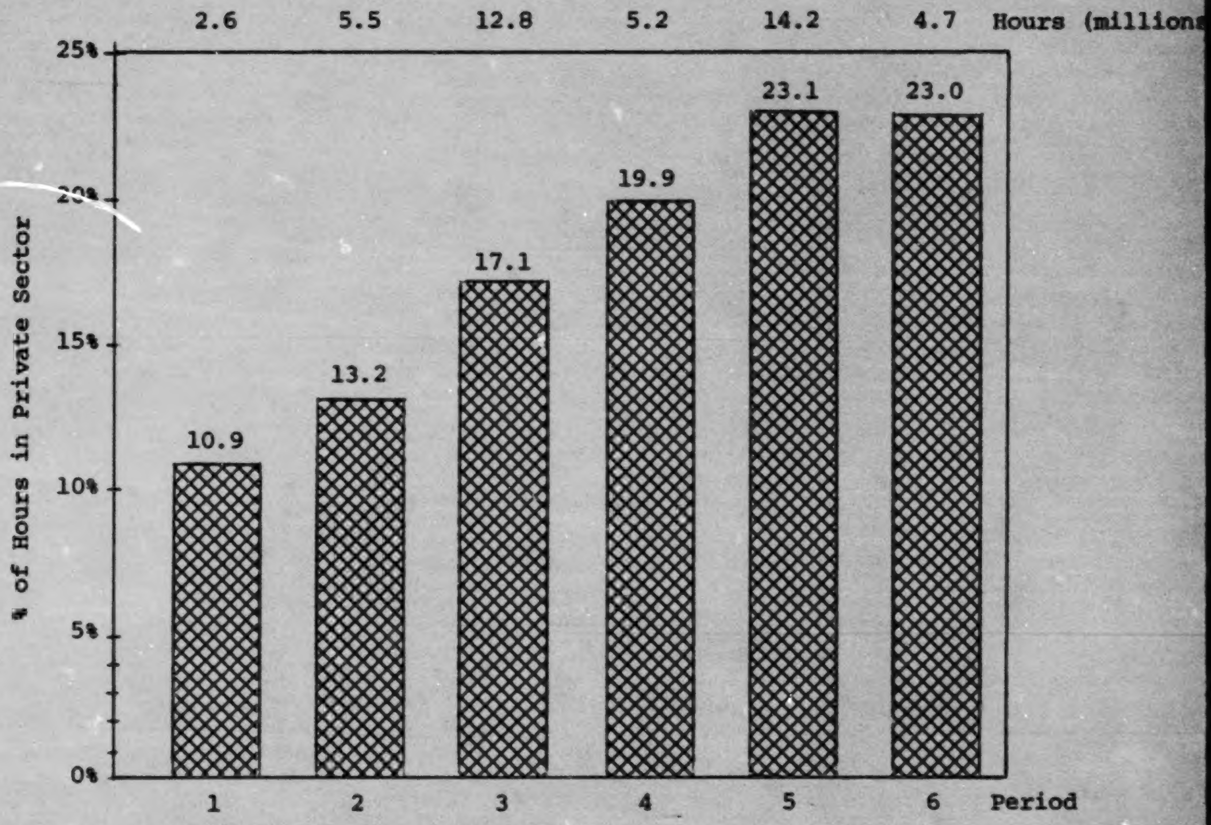
SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data include all reported job activity in the 17 Entitlement sites during the period from March 1978 through August 1980.

[a] Non-profit organizations include private and parochial schools as well as community organizations.

CHART IV-4

PERCENT OF ENTITLEMENT JOB HOURS WORKED IN THE PRIVATE SECTOR, BY TIME PERIOD



SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The six time periods referred to are:

1 : Startup - 6/78 ..... part-time work
2 : 7/78 - 8/78 .... full-time work
3 : 9/78 - 6/79 .... part-time work
4 : 7/79 - 8/79 .... full-time work
5 : 9/79 - 6/80 .... part-time work
6 : 7/80 - 8/80 .... full-time work

point in their work experience were assigned to private sector sponsors.[1]

Projects had to make decisions on matching youths to available jobs. Some projects started with ambitious plans to coordinate the interests of the youths with openings. The largest project to attempt this, Boston, ran aground, experiencing long delays in job assignment. The average job assignment lag reached 90 days in the fall of 1978 (see Appendix Table B-12), but during subsequent quarters, as Boston worked to straighten out the process, assignment lags fell more in line with other projects, averaging 30 to 45 days. While many of the smaller Tier II sites reported more ability to make a careful job match, most projects took a modest approach. Criteria emphasized the need for worksites to be close to home and school in order to permit the youths to work their entitled minimum hours.

Some projects indicated that they took greater care in screening youth assignments to the private sector. In Cincinnati, for example, the contractor responsible for job development and assignment, the city's Chamber of Commerce, assessed participants for assignment and then provided a brief training period on good work habits.

Patterns of Work Sponsor Recruitment: The Increasing Private Sector Role

Parallel to the growing numbers of youths assigned to private businesses was, of course, a growing effort to recruit more businesses to serve as sponsors. Since large-scale private sector recruitment was a new experience for program operators, an analysis of the patterns of recruitment and private sector turnover may be useful. This discussion leads to questions on the participation rates and experiences of businesses contacted and their responsiveness to the subsidy level. This and the following section address these questions.

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[1] See Appendix Tables B-17 and B-18.

To keep pace with intake and the job assignment staff, YIEPP job developers had to have enough jobs in the first six program months (one-fifth of the demonstration period) to meet the needs of over one-third of all the youths ever to participate in YIEPP. As Table IV-4 shows, job developers during those months recruited 4,073 work sponsors, which represent 38 percent of all work sponsors in the demonstration. Their principal sources were the public (1,386 sponsors) and nonprofit agencies (1,204), which together comprised almost two-thirds of the early sponsors.[1] However, later in the demonstration, several project staffs reported that the public and nonprofit worksites were becoming saturated with assignments. The private sector then became an increasingly important source of jobs for new enrollees. By far the most dramatic leap in private business recruitment was taken in the 19-county rural Mississippi project, although that project also had a higher than average turnover rate among participating private businesses.[2]

The Tier II sites worked harder to recruit the private sector; over half the early Tier II sponsors were private business firms compared to one-third in the Tier I sites. These figures, however, reflect the weight of the Monterey, Philadelphia, and Hillsborough Tier II sites in

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[1] See Appendix Tables B-19 and B-20 for details on patterns of work sponsor recruitment.

[2] See Ball and Wolfhagen, p. 111.

TABLE IV-4

WORK SPONSOR PARTICIPATION IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY SECTOR AND FIRST MONTH OF ACTIVITY

Tier and Sector	Startup Through Aug. 1978	Sept. 1978 Through Aug. 1979	Sept. 1979 Through Aug. 1980	Total
TIER I				
% of New Sponsors, by Sector[a]:				
Private Sector	33.6	66.9	70.5	55.3
Public Sector[b]	37.0	14.0	15.3	23.1
Non-Profit[c]	29.4	18.9	14.0	21.5
Total Number of New Sponsors	3,422	3,074	2,539	9,035
TIER II				
% of New Sponsors, by Sector:				
Private Sector	50.7	58.6	54.6	54.0
Public Sector	18.4	12.6	14.1	15.4
Non-Profit	30.9	28.7	31.0	30.5
Total Number of New Sponsors	651	372	758	1,781
TOTAL DEMONSTRATION				
% of New Sponsors, by Sector:				
Private Sector	36.4	66.0	66.8	55.1
Public Sector	34.0	13.9	15.0	21.8
Non-Profit	29.6	20.0	17.9	23.0
Total Number of New Sponsors	4,073	3,446	3,297	10,816

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job activity in the 17 Demonstration sites during the period from March 1978 through August 1980. A "work sponsor" is an organization/company/agency where youths are placed (employed) while in the Demonstration.

[a] Percents may not add to 100.0 because of the existence of 12 sponsors with missing sector codes.

[b] Public sector sponsors include the public schools, as well as government agencies.

[c] Non-profit sponsors include private and parochial schools, as well as community organizations.

the first few months; these sites recruited 60 percent or more of their employers from the private sector. It should be noted also that in competitive selection of the Tier II projects, one of the factors considered was the degree to which sites posed innovative program strategies. Philadelphia and Hillsborough were selected, in part, because of private sector emphasis.[1]

As noted previously, the proportion of new private sector work sponsors increased dramatically as the demonstration developed. In the one-year periods ending August 1979 and August 1980, two-thirds of the new work sponsors were private businesses. The solid line in Chart IV-5 shows steady growth as the prime sponsors concentrated their job development efforts increasingly in the private sector. The point is underscored emphatically by the broken line in Chart IV-5, which indicates that in every month after August of 1978 (except the final two demonstration months), more than 60 percent of all new work sponsors were recruited from the private sector. However, as noted earlier, just one-fifth of the participants' job-hours were spent in private sector assignments, a direct reflection of the smaller numbers of youths employed by individual private businesses.

Examining private sector recruitment from another perspective, Chart IV-6 displays the number of private sector sponsors active monthly and the number of new businesses recruited each month. As this chart shows, except for program start-up months and occasional months thereafter, YIEPP job developers had to continuously recruit the private

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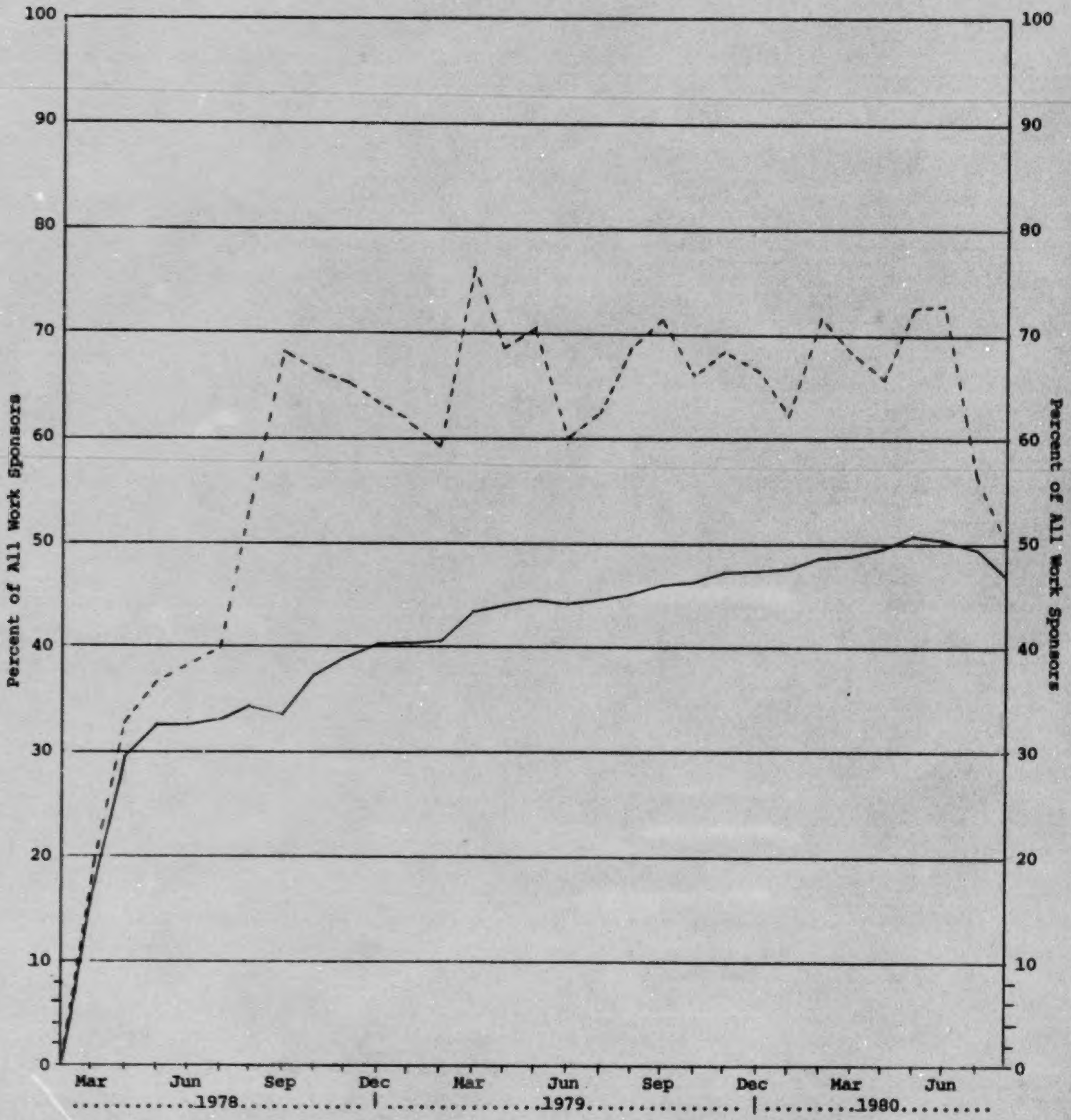
[1] See First Implementation Report.

CHART IV-5

RELATIONSHIP OF ACTIVE PRIVATE SECTOR SPONSORS TO ALL ACTIVE WORK SPONSORS IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY MONTH



SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

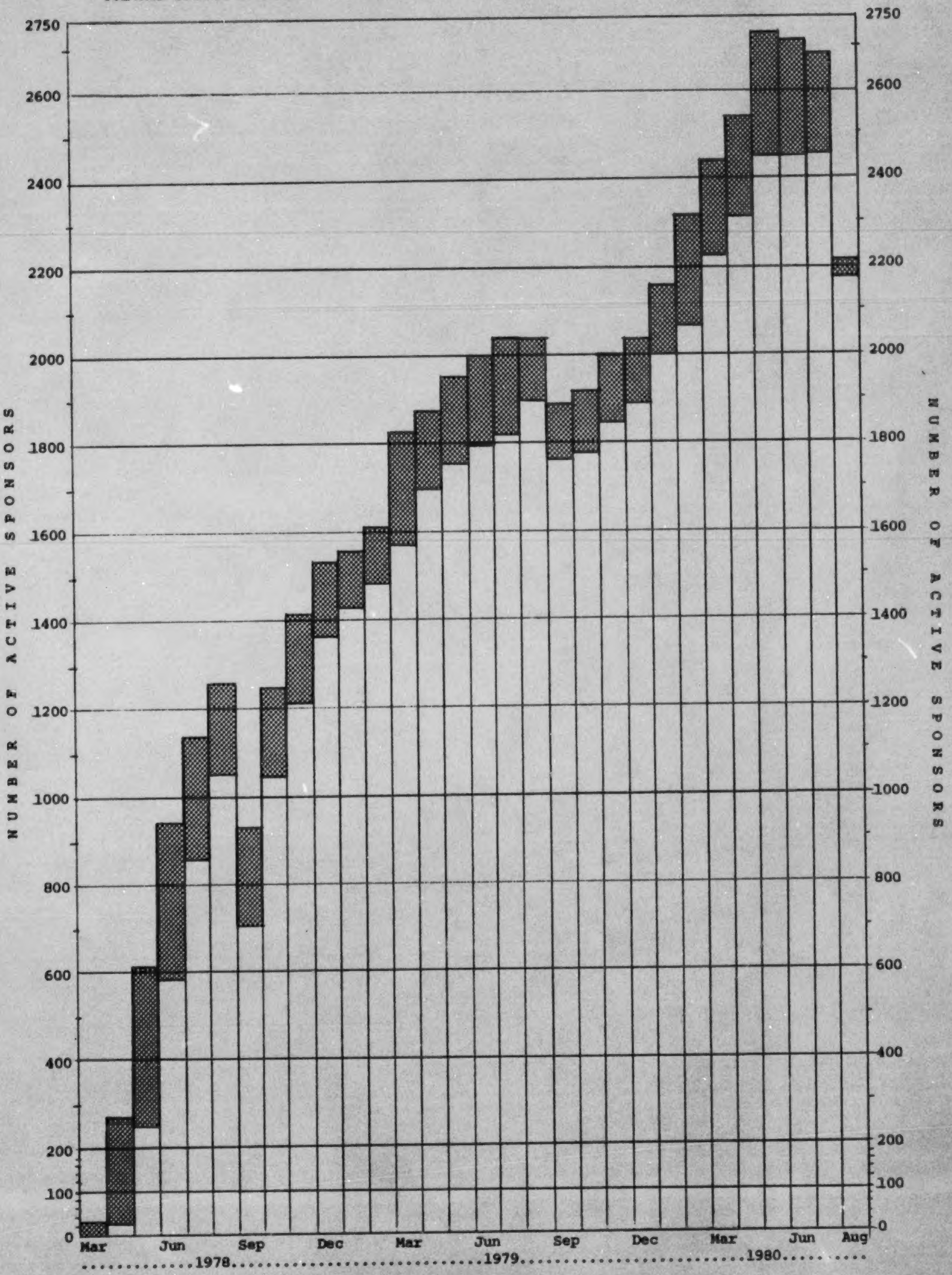
NOTES: The data represent all reported work sponsors in the 17 sites of the Demonstration.

- - - shows the percent of all new sponsors each month that were private sector.

——— shows the percent of all active sponsors each month that were private sector.

CHART IV-6

PRIVATE SECTOR SPONSORS ACTIVE EACH MONTH IN THE YOUTH ENTITLEMENT DEMONSTRATION



▨ represents sponsors who became active for the first time.

businesses in large numbers just to keep the pool of active business sponsors level.

Private businesses were more likely to become inactive than were sponsors in the other sectors. To keep a steady or a growing number of active businesses, job developers were forced to either monitor business assignments closely for replacement needs, or else develop substantial numbers of new sponsors every month.

The earlier MDRC study on the private sector examined the turnover of private businesses through telephone interviews with a random sample of employers who were sponsoring youth participants in September 1979. Those interviews (conducted in May 1980) reveal that over the nine-month period, one-third of all the sponsors active in September had no youths assigned in May. Of this 32 percent attrition, 19 percent reported they were willing to accept a new participant assignment should the program offer one; the other 14 percent stated they would not be willing to resume their sponsorship. Thus, by employer reports, one can infer that nearly half of the prime sponsors' very substantial efforts to recruit the private businesses was required because so many of them "quit." This could be caused by satisfaction (having hired a YIEPP participant without a subsidy), dissatisfaction, or a change in the employer's labor needs.

Assuming that this random sample is representative of all businesses to participate, over half of the deactivations may have happened because the job developers did not follow up on vacancies with replacements. Fully half of the deactivated employers claimed to want another youth assignment. Program job developers did report that youths were not reassigned to certain businesses intentionally, either because the worksite was not conveniently located, or of good quality, or because the employer required skills not typical for youths. These were relatively rare instances, however, so it is fair to conclude that half of all the turnover in businesses may have resulted from poor tracking systems on the part of YIEPP job developers.

The industrial distribution of participating private businesses is displayed in Table IV-5.[1] Retail trade and service establishments accounted for three-fourths of private sector job-hours in the demonstration, with the highest concentrations found among service stations and repair shops, clothing stores, and eating places.

Private Sector Participation Rates: The Wage Subsidy Variation Experiment

In order to assess responsiveness to the recruitment efforts, and particularly to ascertain response at different subsidy levels (an opportunity missed earlier in the demonstration because all prime sponsors, except for Mississippi, offered full wage subsidy), a wage subsidy variation experiment was designed and executed in two sites from January through June of 1980.[2] Detroit and Baltimore, which were

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[1] See Appendix Table B-21 for site details by industry.

[2] The choice by all but one of the YIEPP sponsors to offer a full wage subsidy to private employers was reached in most cases before the demonstration actually began. In order to develop a bank of job commitments to support their application for YIEPP grants, prime sponsors approached private businesses with the offer of a full subsidy, should the community receive a YIEPP grant. The time pressure of the application process, compounded by the fact that the private sector had never before been used in a youth work experience program, led prime sponsor staff to conclude that a partial wage subsidy offer would not have attracted many businesses. While legislatively permissible, the full

TABLE IV-5

PERCENTAGE DISTRIBUTION OF PRIVATE-SECTOR WORK SPONSORS IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY TIER AND INDUSTRY TYPE

Industry Type[a]	Percent of Private-Sector Sponsors		
	Tier I	Tier II	Total Demonstration
Agriculture/Forestry/Fishing	3.6	0.6	3.1
Mining/Construction	2.9	2.4	2.9
Manufacturing	9.1	13.7	9.8
Transportation/Communication/Utilities	1.9	2.6	2.0
Trade			
Wholesale Trade	2.3	1.7	2.2
Building Materials/Hardware	1.8	1.5	1.7
General Merchandise	3.3	4.1	3.5
Food Stores	8.6	6.7	8.3
Auto Service Stations	5.6	3.0	5.2
Apparel/Accessories	5.1	7.9	5.5
Furniture	2.4	3.4	2.6
Eating Places	10.5	6.8	9.9
Miscellaneous	7.6	12.7	8.4
Total Trade	47.1	47.9	47.3
Finance/Insurance/Real Estate	5.6	6.0	5.6
Services			
Lodgings	0.9	0.7	0.9
Personal Services	4.6	2.5	4.2
Business Services	4.7	2.5	4.3
Automotive Repair	5.6	7.0	5.9
Miscellaneous Repair	1.6	2.6	1.8
Amusements/Recreation/ Motion Pictures	1.4	2.2	1.5
Health Services	3.3	3.8	3.4
Legal Services	1.7	1.3	1.7
Educational Services	0.4	0.2	0.4
Social Services	2.7	1.3	2.6
Miscellaneous Services	2.1	2.6	2.2
Total Services	29.3	26.8	28.9
Total	100.0	100.0	100.0
Total Number of Sponsors	4,997	962	5,959

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data include all private-sector work sponsors active in the Demonstration at some time during the period from March 1978 through August 1980. A "work sponsor" is a company where youths are placed (employed) while in the Demonstration.

Percents may not add exactly to 100.0 because of rounding.

[a] Industrial categories are based on the divisional groupings of the Standard Industrial Classification Manual (SIC), published by the Executive Office of the President, Office of Management and Budget, in 1972.

authorized to expand their demonstration boundaries, developed jobs for newly eligible enrollees by offering three different levels of subsidy to separate groups of employers. In Detroit, a canvass of employers produced a list of over 1,000 businesses, which were assigned at random to a group that would be offered full wage subsidy or to another at 75 percent; thus the latter group of employers would be asked to pick up 25 percent of the participants' 1980 minimum wages. In Baltimore, employers on one side of a north-south thoroughfare were offered full wage subsidy, while on the other side, the businesses were offered a 50 percent wage subsidy, meaning they would have to reimburse the prime sponsor for $1.55

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wage subsidy was, however, substantially greater than the other principal private sector subsidy arrangement, on-the-job training contracts for adults, where subsidies are not allowed to exceed 50 percent of wage costs. Consequently, program regulations issued early in 1978 required that all YIEPP sponsors submit a plan for reducing subsidy rates to the private sector over time. Most prime sponsors were reluctant to change arrangements with private businesses, and as a result, many were dilatory in developing such plans. Finally, program regulations specified a minimally acceptable procedure, where a private employer would assume half the wage costs for all youths who had worked for that employer one year or more. This procedure was required, unless prime sponsors submitted an acceptable alternative.

The pace of implementation, where employers would be contacted and required to reimburse the prime sponsor central payroll, varied greatly among sites. A telephone survey of employers contacted after plans should have been in effect for five months indicated that only about half of the "subsidy reduction eligible" employers had been asked to contribute their part of the wage costs. Reports from the field indicated, however, that by the last months of the demonstration, most prime sponsors had worked out the problems in establishing reimbursement and record-keeping schemes. Reports from program operators, corroborated by the telephone survey with private sector work sponsors, indicated that three-fourths or more of employers who were asked to begin assuming part of participant wage costs agreed to do so.

The practice of paying youths from a central payroll and asking for employer reimbursements may be a promising approach to consider in future work experience or on-the-job training ventures with the private sector, since the employer is saved the risk and expense of hiring trainees on the business payroll during the period of subsidy.

per hour of the youths' $3.10 minimum wage. In both cities, employers who had previously sponsored YIEPP youths were not included in the samples.

A random sample of these employers was interviewed by telephone in the late summer of 1980. Controlling for differences in the characteristics of the businesses, the proportions of employers who agreed to sponsor youths by subsidy level were found to be:

Wage Subsidy Level	Site	Participation Rate
100%	Baltimore & Detroit	18%
75%	Detroit	10%
50%	Baltimore	5%

The lower participation rates at partial subsidy would thus appear to indicate that, in this experiment, there was evidence of a fairly strong price sensitivity among private businesses to the level of subsidy offered.

As discussed at greater length elsewhere, these findings should be considered generalizable only with caution.[1] The period of the experiment included only six months of active job development, far less time than the job development span in the full demonstration, which ran 30 months. Given a longer time frame, and with repeated call-backs by job developers, some businesses initially declining would probably change their mind. On the other hand, not all of the work sponsors had yet accepted a youth when the telephone interviews were carried out. The demonstration experience suggests that some proportion of employers accepting would withdraw when faced with actual youth referrals.

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[1] Ball and Wolfhagen, pp. 27 ff.

Despite these caveats, an 18 percent take-up rate at full wage subsidy indicates the substantial amount of effort needed to recruit the nearly 6,000 private businesses which did participate in YIEPP. There are no comparable participation rates for public and nonprofit agencies, but it is likely that higher proportions of these contacts actually participated and as indicated earlier, these yielded a higher number of slots per worksite.

This apparent price sensitivity of private businesses suggests that in the demonstration as a whole, recruitment efforts in the private sector would have needed to be doubled or even quadrupled had prime sponsors chosen to offer less than the full subsidy. The high level of Mississippi private business recruitment, given the 75 percent subsidy offered there, may attest to especially heavy job development in that 19-county area, unless Employment Service job developers had an effective means for selecting businesses most likely to participate. There is, in fact, an indication at other sites that job developers could determine, to some extent, which firms were likely to turn down the offer, including larger manufacturing firms. The amount of time it took to recruit large businesses, given their multiple clearance requirements, also tended to discourage the job developers from these efforts. While Mississippi had few large firms, the prior experience of the Employment Service in dealing with the private sector may have facilitated the screening process in that site.

Job Creation and Worksite Quality

The ability of YIEPP prime sponsors to assign all but 7 percent of the enrollees to a job, usually in a month or less, would be substantially discounted if the quality of the work positions were poor, having been sacrificed for volume in a year-round job development effort. If a large share of the participants' jobs involved idle time, or if work sponsors regarded jobs to which they assigned participants as unimportant, then the end-result of large-scale job creation could be a high proportion of "make-work" positions, an outcome at odds with the Congressional intent in the Youth Act. Not only would make-work jobs amount, at best, to an expensive form of income transfer with little valuable output, they would also undercut the exemplary purpose of youth work experience: to encourage good work habits and to convey the notion of a day's pay for a day's productive work.

To assess the quality of the YIEPP worksites, a random sample of 520 worksites was selected and visited from September 1978 through November 1979 by MDRC field operation monitors and consultants with extensive experience in employment and training research. They used a field interview and observation protocol which drew upon the literature in work quality evaluation and on the advice of researchers who have assessed work quality in other youth programs. The results of that study have been reported in detail elsewhere,[1] but the major findings as they bear upon the feasibility of the YIEPP model will be summarized here.

A review of the work quality literature reveals that there is no clear consensus on what constitutes a "model" work experience for youths; consequently there is no standard against which to measure YIEPP worksites or to compare them with worksites in other youth employment programs. There is general agreement, however, that certain characteristics are essential in a work setting that is intended to help youths develop good work habits. Jobs are less likely to be make-work and more likely to be a positive learning experience if youths are mostly busy and not idle; if the work sponsors judge the youths' work to be worthwhile and a contribution to their output; if the youths perceive that the experience is providing them with the skills or references they will need to get a future job; if there is frequent, substantive contact between the youths and supervisors; and if standards of attendance and behavior are applied.

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[1] See Ball, Gerould and Burstein.

As Table IV-6 indicates, such quality factors were generally present in 80 to 90 percent of all the worksites in the sample.[1] Conversely, negative assessments of quality, reflecting the absence of such characteristics, were seen in 5 to 13 percent of the worksites where judgments prevailed that youths were rarely or never busy (with youths and work sponsors at 5 percent of the worksites reporting this level of idleness, and site assessors finding that 13 percent rarely kept the youths busy). There was little or no substantive contact between youths and supervisors at 10 percent of the worksites. Youths at 20 percent of the worksites did not volunteer that they believed their work experience would help them obtain a job in the future, and youths at 9 percent of the businesses judged that their job assignments were less than acceptable. Work sponsors at 8 percent of the worksites did not find the youths' work to

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[1] It should be noted that impact analysis interviews during the first follow-up wave with 1,973 YIEPP participants at the four pilot sites corroborate positive youth perceptions reported in the quality of work study. Over 80 percent of youths interviewed during Wave II surveys reported they were satisfied with their program jobs.

TABLE IV-6

PERCENT OF WORKSITES IN QUALITY-OF-WORK STUDY SAMPLE HAVING SELECTED POSITIVE CHARACTERISTICS

Positive Worksite Characteristics	Percent of Worksites
Youth Busy Most or All of the Time:	
- Work Sponsor Evaluation	87
- Youth Evaluation	81
- Site Assessor Evaluation	68
Less Than 5 Youths Per Supervisor	91
Seven or More of 13 Supervisor-Youth Interaction Characteristics[a]	67
One or More of 4 Youth-Perceived Job Values[a]	80
Youths Rate Job As Acceptable or More Than Acceptable	91
One or More of 3 Sponsor-Perceived Job Values[a]	93
Seven or More of 14 Selected Positive Characteristics[a]	91
Site Assessor Rates Worksites as Adequate to Outstanding	87
Total Number of Worksites in Sample	520

SOURCE: Field assessments of a random sample of 520 Entitlement worksites, conducted as part of MDRC's Quality of Work Study. See Ball, et. al., 1980.

NOTES: A detailed description of the assessment methodology can be found in the published final report of the Quality of Work Study.

[a] Listings of the variables that constitute these job quality indices are provided in Appendix B, Table B-22.

be of value or congruent with their mission.

On the basis of these characteristics -- which are generally agreed to be the critical elements in high quality work experience for youths -- the essential features appear to have been present in the great majority of YIEPP worksites. In order to gain some sense of which qualities were most salient in the judgments of critical parties, multiple regression analysis was applied to the judgments of youths, their work sponsors, and the independent site assessors. The dependent variables were the overall scores which assessors applied to each worksite (a four-point scale ranging from "inadequate" to "outstanding"), the employer's judgment if the job performed was a valuable one (a three-point index), and the youth's judgment that the work was of future value in obtaining other employment (a four-point index).

Two factors were particularly important to all three parties: first, whether the youth had enough work to keep busy most of the time; and second, the presence of work performance standards. Significant determinants of quality for both youths and their work sponsors were not only the existence of such standards for participant behavior and attendance, but also the youths' awareness of those standards. A related factor, salient to both youths and the independent assessors, was the work sponsor's practice of generally holding the youth responsible to regular workplace standards.

Site assessors found the relative satisfaction of both work sponsors and youths to be an important determinant of quality. Both youths and their work sponsors also appeared to base their judgments on the content and intensity of the interaction between youths and their supervisors.

The "youth-supervisor interaction index" accounted for more of the variance in participant and work sponsor judgments than any other single factor.

A factor which influenced negative judgments of worksites from the perspective of both independent assessors and work sponsors was high participant-to-supervisor ratios. Simple and repetitious jobs tended to generate negative assessments by youths and site assessors. Thus, while there was not full agreement among the three judging parties, the important elements that influenced all three partners' judgments on quality were: keeping the youths busy, holding them to performance standards, providing close and substantive supervision as well as relatively varied work, and low ratios of participants to supervisors. The importance of these sorts of factors to the youths would not appear to support some of the generalizations in the public debate about youth employment; e.g., that disadvantaged teenagers do not want to be held to performance expectations or to be closely supervised. Further, statements that fully subsidized work experience is likely to produce "make-work" -- because work sponsors are less likely to take seriously, or supervise closely, the work of subsidized trainees -- are not supported in these findings.

Effect of Hours Per Week and Program Scale on Worksite Quality

To examine whether factors in program implementation might affect the quality of worksites, a sample of worksites was disaggregated to permit a comparison of the quality of summer full-time jobs with school-year part-time worksites. Anecdotes from program operators have supported both the contention that it is more difficult for employers to establish meaningful jobs on a part-time, after-school basis, and that, on the other hand, it is a problem to structure relatively productive full-time jobs which can then be converted into continuing part-time ones.

Analysis comparing the presence of positive quality factors and the scores of site assessors indicated that there were few significant differences between the quality of the full-time and the part-time work experiences. One factor only was significantly different, but of small magnitude: the judgment of youths that the job had some present value to the employer or would enhance prospects for employment in the future. Very slightly higher proportions of the youths at summer worksites were likely to rate the experience either more positively or more negatively, with youths at part-time worksites slightly more likely to find the experience to be just moderately promising for their future employment prospects. There is no clear pattern to the differences in the youths' judgments.

When a similar comparison was made between Tier I and Tier II worksites, there were clearer distinctions in worksite quality. Tier I quality appeared to reflect the heavier administrative burdens of these larger projects. (In a typical month, November 1979, the average Tier I project had 3,260 youths assigned and working, while the average Tier II site had some 240 youths employed.) Tier I and II worksites differed along three indicators of quality. The content and intensity of the supervisor-youth interaction at the Tier II worksites was generally greater. Whereas 60 percent of Tier I worksites displayed 7 of 13 characteristics on this interaction, over 84 percent of Tier II worksites showed this level of supervisory quality. Further, youths at 87 percent of Tier II worksites reported that their jobs contained at least one of four measures of future value, while only 78 percent of Tier I youths reported at least one measure.

On an aggregate index of positive worksite characteristics, a substantially higher proportion of Tier II worksites (73 percent) displayed at least 11 of 14 characteristics of good quality, compared to 45 percent of the Tier I worksites. Applying a less rigorous threshold (7 of 14 positive qualities), these differences diminish: 96 percent of the Tier II worksites contained these qualities compared to 90 percent of Tier I worksites. There would appear to be higher proportions of very strong worksites in the smaller, Tier II projects.

Although these worksite differences by tier are relatively minor, the tenfold differences in average project size may have permitted Tier II job developers to be selective in the creation of worksites. While small sample cell sizes do not allow statistical inferences to be drawn, it appears likely that the few differences reported between the larger and the smaller projects may have been due primarily to the absence of very large worksites (with more than 25 assigned youths) at the Tier II projects. The overall site assessor ratings of these very large worksites were somewhat lower than the ratings assigned to the more typical small YIEPP worksites with fewer than five youths assigned. The differences, however, were not great.[1]

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[1] Assigning a rating of 1 to inadequate worksites, 2 to adequate

Job Quality and Employer Satisfaction at Private-for-Profit Worksites

The legislative authorization for YIEPP prime sponsors to subsidize work experience in the private-for-profit sector appears to have been an important element in the ability of prime sponsors to create enough jobs for enrollees and to assign enrollees expeditiously, as discussed above. The sample of worksites visited for the quality of work analysis, in addition to the sample of private employers interviewed for the private sector study, permit some observation on the reactions of private employers to the program, the administration and assignment of youths to those businesses, and the quality of jobs that the private sector created.

Findings from the work quality survey reveal that, contrary to the expectations of many prime sponsors, private sector worksites did not contain higher proportions of positive qualities, nor did they receive higher overall quality ratings from independent assessors. With only a few exceptions, and these of small magnitude, there were no statistically significant differences between private, public, and nonprofit worksites on measures of work quality. The findings show that there were slightly smaller youth-to-supervisor ratios in the private sector; private businesses were slightly less likely to regard the youths' output as valuable; and youths at these worksites were slightly more likely to think their jobs would be helpful in obtaining future ones. On

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worksites, and so forth, worksites with 1-4 enrollees had scores in the range of 2.35 to 2.65, and worksites with more than 25 enrollees had scores ranging from 1.77 to 1.89 (Ball and Wolfhagen, 1981).

whether youths were kept busy, closely supervised, held to the employer's performance standards, and several other factors, there were no quality differences among sectors.

Myths may contain a kernel of truth, but sometimes they simply reflect strongly-held beliefs and values. The idea that public and nonprofit agencies are more likely to create make-work jobs than are private businesses appears to partake of both those characteristics. The reality of the YIEPP work experience, with small numbers of youths assigned to work sponsors in all three sectors -- to fiscally hard-pressed public and nonprofit agencies and to large numbers of small businesses -- was such that the actual work settings for youths were relatively more similar among sectors than they were different.

A corollary belief, firmly held by most prime sponsors, was that the private sector would have little patience with administrative problems and government paperwork, or with disadvantaged teenagers. Many believed they would be deluged with complaints from participating work sponsors. A telephone survey of a sample of private businesses explored these issues, with results that belied those opinions. When these employers were asked several questions about their satisfaction level and experiences with the program administration and with the youths assigned to work for them, nearly two-thirds, or 64 percent, reported that when they were approached by job developers, they had requested youths with certain qualifications. These tended to be fairly general preferences for reliable and responsible workers, but many employers also specified certain reading levels and computational skills, ability to deal with the public, and so forth. Of those who had requested qualifications, over 80 percent reported that the youths had met them.

When employers were asked how frequently they had had contact with the program staff, one-half reported conversations at least once a week, and three-fourths reported contact at least once every two weeks. The central payroll mechanism required program worksite counselors to visit employers at least often enough to collect timesheets and to distribute paychecks to the youths. Since all but three YIEPP projects had a bi-weekly payroll, employer recollections of more frequent contact indicate a fairly active liaison arrangement.

It was generally not the case, nor was there sufficient time, for program staff to have lengthy discussions with work sponsors at each visit, but the payroll visit at least structured the opportunity for program staff, work sponsors, and the youths to get together and converse, however briefly, about the youths' performance and the satisfaction of both sponsors and youths. In fact, 56 percent of the employers reported discussions of work habits, attitudes, and attendance issues at these visits, and 65 percent reported more generally that they had discussed the youths' performance with program staff. Two-thirds of all work sponsors volunteered that program staff had been especially helpful in addressing specific problems; work habits and performance were most frequently singled out. Conversely, only 17 percent of the businesses interviewed complained that program staffs had been notably unhelpful, with paycheck problems and replacement of youths most frequently cited as problems. Only 8 percent of all work sponsors interviewed complained about poor program administration.

Asked about experiences with the youths assigned to them, the great majority of private business employers again had few complaints. Three-fourths or more of them rated the enrollees' habits, attitudes, and willingness to work as average or above. Three-fourths perceived that the youths' performance had improved over time. They did, however, encounter fairly high turnover. On average, businesses had employed at least one youth for over nine months, but they had also sponsored seven participants each, with typically only one or two assigned at once. Twenty-three percent of private businesses had employed at least one youth for over a year, while 38 percent had sponsored a participant for 7 to 12 months. One-third of them had employed youths who stayed six months or less.

Nearly one-fifth (19 percent) of the interviewed private businesses reported they had hired at least one youth onto their payroll after the enrollee had worked on subsidy. On the other hand, employers recalled having "fired" (requested program staff to terminate or reassign) 11 percent of the enrollees most recently assigned to them. Thirteen percent reported that they were no longer sponsors and that they were not interested in another assignment. However, 19 percent, who were not active sponsors at the time of the survey, reported that they would be willing to employ participants in the future.

Management and Policy Issues in Operating Year-Round Subsidized Work Experience Systems for Youth

Several management and implementation lessons emerge from the job development experiences of the 17 YIEPP prime sponsors. First, although some interested youths were lost between enrollment and job assignment -- primarily because of systems problems -- and despite some frictional start-up problems, the combination of site resourcefulness, a generally adequate work sponsor pool, and the willingness of employers from both the private and the public sector to offer jobs made it possible for prime sponsors to generate large numbers of jobs for nearly all the youths enrolled. The previous experience of prime sponsors in developing public and nonprofit work experience positions, enhanced by the requirement that potential employer banks be developed before the demonstration, eased the rapid build-up pressures in the early demonstration months. Nonetheless, achieving a 93 percent job assignment rate, with year-round enrollment open to eligible applicants, was a substantial achievement.

It should be noted that the size of the employer pool, relative to the eligible population's size, could vary among projects. School-district target sites, as many Tier II projects were, had smaller enrollment areas than those from which work sponsors were recruited. Greater challenge lay in the Tier I sub-city target areas with very high concentrations of poverty and eligible youths, such as Detroit and Baltimore. Perhaps the greatest challenge, however, confronted prime sponsors in the city- or county-wide target areas, such as Cincinnati, Denver, Berkeley, King-Snohomish, and Syracuse, in which the target areas and feasible labor markets tended to be coterminous. (Suburban job sites were typically inaccessible to inner-city youths.) The only site that experienced actual problems in developing enough jobs for waiting participants was the 19-county rural Mississippi project, which has been discussed earlier.

A second lesson from the YIEPP experience appears to be that streamlined administrative arrangements can be a positive incentive to work sponsor participation. Although some sites encountered severe paycheck delay problems in the first three or four months of operation, the existence of a central prime sponsor payroll seems to have facilitated recruitment of work sponsors and limited their complaints. In choosing whether or not to sponsor a youth, employers thus did not have to take the burdens of paperwork into consideration. This may have been particularly important to the sites' recruitment efforts in the private sector.

Another administrative feature, driven in part by the central payroll mechanism, was the fairly frequent contact between work sponsors and program liaison staffs. While response time was not particularly speedy at the larger program sites, employers could request that problem youths be reassigned. Employers also could request replacements if any of their youths desired transfers, left the program, or were terminated for poor school or work performance. That job developers may have wasted effort in recruiting new work sponsors, particularly in the private sector, when they could have refilled vacant slots, did not appear to hinder their ability to find an adequate number of new ones or to cause notable dissatisfaction among "neglected" employers.

A third major lesson concerns worksite quality and the enforcement of job performance and attendance standards. The relatively good quality of YIEPP worksites, and the relatively marginal quality differences between worksites by tier or by sector, seems to indicate that the structure of the program and the dynamics of the worksite management produced a system that was fairly "implementation tolerant." The work quality findings show that, in effect, the interests of work sponsors and the youths, as well as job developers, were served best by worksites that were reasonably productive and not make-work. The indication is that quality control for worksites did not entirely depend on monitoring by project operations staff. Had this been so, it seems unlikely that very large projects, such as Baltimore (with more than 5,000 working youths at any one time) or Mississippi (with more than 4,000 in 19 counties) could have consistently screened potential work sponsors and monitored worksites with sufficient scrutiny to assure that 85 to 90 percent were of adequate or better quality.

This is not to imply that prime sponsor implementation strategies were not important to the assurance of quality, but rather that the year-round nature of the jobs and the small numbers of the youths assigned per worksite helped to maintain the quality for both youths and sponsors. Busy youths were not as likely to complain, or to be bored or troublesome and cause employer complaints. Employers, on their part, were not particularly interested in sponsoring idle youths, despite the altruism that partly influenced their participation.

The second most frequent reason for negative termination from the program was poor attendance or performance at the worksites; by the demonstration's conclusion, 13.1 percent of all participants (see Table III-11 in Chapter III) had been so terminated, despite the fact that the employers were not required to enforce a uniform set of standards. In effect, prime sponsors relied on the common sense practices of most employers. While this lack of uniformity meant that not all participants were held to equally strict standards, the general unwillingness of most work sponsors to abide poor attitudes or behavior at the workplace led them to consult program staff about troublesome youths, and to request reassignment when problems seemed intractable.

Although the program had a major short-term effect on the employment rate of disadvantaged youths, and the worksites were generally of high quality, the YIEPP intervention posed a trade-off, encapsulated in the dual congressional mandate that work experience positions should neither be make-work nor result in the displacement of employment opportunities for others. In effect, the congressional mandate -- of which some version is consistently enacted in other employment/training legislation -- required that subsidized positions be of good quality, yet not reduce the stock of regular, unsubsidized jobs in either the public or the private sector. To the extent that there might be overlap, the subsidized participants and jobs would interfere with normal streams of entry and exit for unsubsidized jobs, and the result would be displacement. For example, if a business would have hired disadvantaged youths without the program and wage subsidy, the business would receive a windfall because of YIEPP.[1] Or if an individual, already working, was dismissed to make room for a subsidized participant, or if another person was not hired because a subsidized participant was hired instead, displacement would result. Any of these outcomes, while benefiting the YIEPP participant, would impose external costs on others or on taxpayers.

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[1] This is effectively what occurred to a great extent with the Targeted Jobs Tax Credit, wherein a high proportion of tax credits were granted retroactively to employers who had already hired TJTC-eligible persons before considering application for a tax credit. See Ohio State University, Mershon Center, The Implementation of the Targeted Jobs Tax Credit, CETA Study, Report No. 3, Columbus, Ohio: Ohio State University, May 1981.

Assuming there is not 100 percent displacement, some effect of subsidized job creation is an increment of additional output, work which would not have been performed in the absence of the created jobs. For such jobs to escape the snare of make-work, the work would have to be worthwhile to the agency or sponsor, but either not sufficiently worthwhile to pay a worker without subsidy (in the for-profit sector) or beyond the capacity of a public or nonprofit agency's budget. In the current era of tightened public resources, particularly in hard-pressed cities like many YIEPP sites, the likelihood of the existence of useful work without sufficient public funds may be particularly high. The degree to which subsidized teenage job creation could produce that useful output would depend on the type of work assigned to the youths, its relationship to the work normally performed by these agencies in times of more generous public budgets, and other factors.[1]

In the private sector, where businesses maintain a more direct connection to consumer preferences and adjust their output and their workforce to demand, it would seem even more likely that the offer of subsidized teenage workers could result in some degree of displacement. In fact, it is quite plausible to hypothesize that the higher the quality of work, the greater the likelihood that the employer planned to have the work performed in any case, and hence the greater the displacement. Private worksites were surveyed and assessed both for their quality of work and for the level of displacement. The assessors' quality ratings and point estimates of displacement were analyzed jointly for each worksite[1] and there was found to be a trade-off between these two factors. While this trade-off might be less intense in public or nonprofit agencies (this relationship was not tested in the study), it is reasonable to suppose that it is there to some degree as well.

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[1] For a more complete discussion of job creation and displacement, see Ball and Wolfhagen, 1981; Richard P. Nathan, Robert Cook, V. Lane Rawlins, and Associates, Public Service Employment: A Field Evaluation, Washington,D.C.: Brookings Institution, 1981.

Thus, one result of subsidized job creation for low-income youths, with emphasis on good job quality, is some degree of income redistribution. The redistributive effect might be regarded as a social investment which, if YIEPP participation has long-run impacts on employment, may be recouped in time. For the shorter term, a full accounting of the employment effects for eligible youths would have to be considered against the "bumping" effects on individuals whose employment opportunities are constrained. It would be necessary to estimate a number of factors: what sorts of individuals have been displaced; to what extent displacement may be zero-sum as a result of stagnant or declining local economies; which private industries or government functions have the highest displacement; and what the effects may be on different groups of workers.

Such an accounting will not be generated from YIEPP research; the complex and expensive research methodology required for the analysis is beyond the scope of the YIEPP mandate and the budget. The analysis of long-term program impacts on participants and on the eligible youths will, however, answer some of the questions, and another study of displacement effects currently underway will answer others, particularly on the topic of differences between sectors in displacement rates.[1] What is clear now is that YIEPP does produce important, short-term positive employment impacts for eligible, disadvantaged youths, and that these impacts have entailed some short-term redistributive effects.

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[1] Ball and Wolfhagen, 1981, p. 75.

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[1] Unicon Research Corporation, "Measuring Displacement," unpublished report to MDRC, December 1982.

CHAPTER V

EDUCATIONAL STANDARDS AND THE ROLE OF PUBLIC SCHOOLS

Many efforts to increase youth employment -- for example, the Targeted Jobs Tax Credit or the youth subminimum wage -- can provide jobs, but they do not encourage participants to continue their education. In some cases, such initiatives may even encourage youths to leave school to take advantage of the job offer. In this respect, YIEPP was unique. Through the mechanism of the school-conditioned job offer, the program was designed, at the very minimum, to maintain school enrollment levels at the sites, and possibly to improve youths' enrollment and performance as well. Results from the Second Impact Report indicate that YIEPP met this goal and led to a modest but significant increase in school enrollment.

While school enrollment and performance were of primary importance to the model, other educational issues were not as central to, or mandated by, the program design. The YIEPP incentive could deliver drop-out youths into the hands of educators and encourage them (as well as students already enrolled) to remain in school. Guidelines did not specify, however, that participants must show improvement in their educational performance or attendance over time except to stay above the threshold for continuing eligibility. Nor was YIEPP designed to foster any improvement in the quality of education (such as more emphasis on basic math and reading skills), or to modify the current educational curricula (such as the integration of career-related learning into regular curriculum, or the linking of youths' program work activity to the content of vocational training in the schools). These latter issues remained the province of the public schools within the YIEPP communities. With the exception of some limited funds which could support increased alternative education, YIEPP resources could not be spent on educational activities.

School systems were required to pledge cooperation with prime sponsors as a condition for the YIEPP grant, but their mandated role was relatively narrow in scope. First, schools supplied a written commitment to "cooperate in the ongoing monitoring of academic and attendance requirements." However, the responsibility for enforcing standards (by program termination of participants who violated them) remained the province of prime sponsors. Schools also had to show a willingness to "assist with the recruitment of eligible participants," and more generally to "provide the necessary information for effective project management and evaluation."

Finally, prime sponsor applications had to give evidence of educational capacity sufficient for the schooling of all eligible youths, either by a combination of traditional high schools, existing publicly-run or independent alternative schools and GED-preparation classes, or by the creation of new alternative-GED capacities. Beyond these specifications, YIEPP guidelines did not mandate more involvement, but they also did not foreclose opportunities for the public schools to be more innovative in such areas as curricular modification, flexible scheduling of school hours, academic credit for work experience, or overall project management, delegated by prime sponsors.

This chapter will address the problems and the progress of YIEPP prime sponsors and the schools in their cooperative efforts at reporting, monitoring and applying the school standards. Subsequent sections will discuss the extent to which school systems responded to the challenge of going beyond the basic YIEPP requirements, using both the job incentive and school standards as a means to develop other cooperative arrangements or to improve performance by the students. The advent in 1979 of additional funds for the enrichment of the educational offerings to participants, and the degree to which schools used this opportunity will additionally be examined. Finally, some consideration will be given to YIEPP's usefulness as a mechanism for fostering closer programmatic links between the schools and CETA prime sponsors.

Applying the School Enrollment Requirement

As discussed in Chapter III, two educational thresholds were required for eligible youths who joined the program and who wished to keep their work experience positions: educational enrollment and adherence to the attendance and performance standards of the local schools. While enrollment was not always a clear-cut distinction -- since some school systems allowed their truant youths to remain "enrolled" -- the status of enrollment was relatively easier to monitor than was the monthly checking of attendance and grade performance levels. As seen in Table III-11, nearly 17 percent of all participants were terminated from their program jobs for dropping out of school, the most frequent of all reasons for their negative termination. A greater challenge, and one enforced less well, was the condition that participants continuously meet locally-established attendance and grade standards. Less than 3 percent of terminations were for that reason.

Establishing Academic Performance and Attendance Standards

YIEPP legislation specified that prime sponsors must make arrangements with the local educational agencies or institutions operating high school equivalency programs to ensure that the participating youths were "enrolled and meeting the minimum academic and attendance requirements of that school or education program." The program design did not set forth a standard of attendance and performance, but specified instead that all participants should meet the minimum conditions of the local educational agencies.

YIEPP prime sponsors, like CETA prime sponsors generally, had little prior experience in cooperative ventures with the local schools. They expected that the identification and codification of attendance and academic standards would be a straightforward process, one of asking local school districts for a copy of their standards for minimum attendance and yearly grade promotion. What most YIEPP prime sponsors soon discovered was that there usually were no clear-cut, district-wide standards, and such standards that did exist varied sometimes from school to school within a local district. Additionally, they came to realize that some school systems did not systematically enforce the standards that they had as a condition for students to remain in good standing.

Thus, community-wide standards were not always easy to find nor, as it turned out, to establish, even though they were to be applied only to the ongoing eligibility of a youth for an after-school program job. Nor were all educators initially enthusiastic about having prime sponsors enforce new school behavior standards. Since many school districts in the 1960s and 1970s had increasingly practiced "social promotion" of poorly performing students, and were further reluctant to expel truants because of per capita state grants-in-aid tied to enrollment levels, some educators asserted it would be unfair to condition a disadvantaged student's job on performance not systematically required of all students. From a different perspective, some observers noted that many school professionals were particularly uncomfortable with the prospect that large numbers of students might be regarded as not performing well enough to meet a job program's requirements, when the school system itself was not taking corrective educational action with such students.

However, not all school personnel had misgivings about the conditioning of students' job eligibility. In fact, school staff at some sites eventually regarded standards as a mechanism to encourage improved student performance. Thus, although extensive negotiations were frequently necessary to set uniform attendance and grade standards (particularly where multiple school districts were involved, as in King and Snohomish Counties and in rural Mississippi), all sites had developed standards by the commencement of the first full school year of the demonstration, 1978-79.

The standards for each site are provided in Appendix Tables B-23 and B-24, and in general, those that were adopted at the outset of the demonstration remained in effect for its duration. The most typical academic standard was a "D" average, or at least a "D" in three subjects. One site, Berkeley, required a "C" average. Prime sponsor staff at a few other sites considered, and some raised with school personnel, the option of imposing more stringent grade requirements, but change in the grade standard occurred only in Cincinnati during the final months of the demonstration.

There was more site variation on the number of unexcused absences permitted to the youths. Some districts had rigorous requirements, such as Baltimore, Denver, Detroit, and Albuquerque, allowing no more than four or five unexcused absences per semester. Other school districts permitted as many as 20 to 25 each semester.

Setting standards for students attending GED preparation classes was more difficult. Students in these programs typically worked at their own pace, and since the only objective mark of successful performance was passing the GED examination, interim performance standards were generally not specified beyond a teacher's judgment that the student was making "satisfactory progress." Three of the Tier II projects -- New York, Syracuse, and Alachua County -- sought to develop more discriminating evaluations. New York required monthly written evaluations of each student's performance, and Syracuse periodically administered standardized achievement tests. Uniform attendance standards were also not usually specified for GED students, although two sites set a minimum of from four to six hours of class time per week.

Reporting on Attendance and Performance

Program regulations initially required that YIEPP prime sponsors collect attendance and academic performance data monthly for each active participant. It became apparent early in the demonstration that monthly academic evaluations would require substantial change in most school procedures; student grade-marking periods were nine or ten weeks apart in most school districts. YIEPP prime sponsors therefore modified their grade reporting requirements to synchronize them with report card periods. Monthly attendance data, however, were pursued and collected with varying degrees of completion and timeliness, depending on logistical factors such as project size and the variety of schools and educational providers in the target area.

At most sites, but particularly in the Tier I sites, the regular reporting arrangements with the schools were not in place in the beginning period of the demonstration, spring of 1978. Prime sponsors gave the standards lower priority than enrollment of the youths, developing jobs for them, and mastering the program data information system. YIEPP operators thus began school data collection in the fall, although at some Tier I sites, the process was not established until the following school year. In Cincinnati, for example, school and project staffs had differences of opinion over grade standards (which in turn reflected a general lack of mutual trust and confidence), and these contributed to serious delays in setting up reporting systems. In King-Snohomish the many program agents and school districts (18 school districts, 100 schools in King County alone), and the tradition of a fairly independent subcontracting arrangement resulted in continuing reporting problems throughout the demonstration period.

In general, smaller Tier II sites were able to establish school reporting systems fairly quickly. By the final demonstration year, in fact, all Tier II sites but three collected attendance data on a weekly basis. Not surprisingly, reporting went most smoothly at the five sites where the local schools were managing agents for the project, and in those sites, there was little problem eliciting the cooperation of school attendance clerks. At three other of the Tier II sites, YIEPP personnel themselves were given access to the students' records.

Reporting problems at the Tier I sites, all of which experienced delays, did not generally spring from school resistance or outright staff refusal to cooperate. Instead, the schools maintained a fairly passive attitude toward reporting, responding to direction and emphasis when it was there, but not assuming the responsibility if prime sponsor management attention lapsed. At many large sites, school personnel found the process time-consuming. Baltimore and Boston tried to ease this problem by hiring project liaison staff and stationing them in the very large schools.

Independent file checks by MDRC consultants in 1980 revealed that the administrative effectiveness of data collection varied. In Boston, data collection was handled smoothly at the schools with liaison staff but continued to be spotty at the schools which had no liaisons. In Baltimore, the reporting process was well-articulated, but problems could arise from an elaborate and lengthy reporting chain; attendance and grade data passed through several offices. There were delays in Baltimore of over a month, even when the system was working perfectly.

By the final school year, while Tier I projects were still experiencing some delays and lapses in collection, greater attention was devoted to tightening up procedures and to shortening the time lags. In fairly marked contrast, file checks at five of the Tier II sites found organized, complete, and timely reporting systems.

These differences would seem to indicate that the reporting problems were primarily a matter of program scale; the larger programs took more time to set up working systems. This meant, however, that large proportions of participants never had their grades or their attendance records reported to enforcement units on any systematic basis in the first school year. The rapid program start-up in 1978, the lack of funding (and funding leverage) to encourage school cooperation, the inexperience of most prime sponsors in dealing with the schools -- and their own initial preoccupation with enrollment and job development procedures -- all delayed reporting when large numbers of participants were involved.

Enforcement of School Standards

While school attendance and performance reporting was hindered by both initial start-up and other administrative difficulties, the enforcement of standards raised even larger implementation problems and some questions of policy and purpose. First, to terminate a youth who was in violation of the standards involved additional administrative steps, compounding grade reporting lags so that some youths might face their terminations well after periods in which their grades had fallen below standard. In fact, in many instances, youths' grades would once again be up to standard during the semester when terminations for a previous violation would have to be applied.

Additionally, some YIEPP prime sponsors were reluctant to terminate participants for a first offense since this eliminated an opportunity to use the job as an incentive to improve performance. Others were concerned that youths should have due process, and felt that terminations were unfair before the youths received more chances to upgrade their work. Finally, not only were YIEPP staffs not used to carrying out school performance standards, their orientation from their prior youth programming was to give a greater weight to paying jobs for disadvantaged youths than to conditioning access to the job on reasons not related to the work experience itself. In other words, while staffs agreed with the model which conditioned jobs on school enrollment, there was less support for the enforcement of the ongoing standards. Where these standards were enforced, YIEPP staffs more likely triggered termination on poor attendance than on grades because of the long lags inherent in the grade reporting process.

Understandably, then, the rigor with which sites chose to apply the school performance standards varied. In general, prime sponsor units never terminated students for a single violation of attendance or grade standards. Some combination of warning letters, probation, temporary or partial suspension of the work experience, counseling and remedial tutoring was practiced by all sites. Warning letters were a first step in most large sites, of which Detroit's procedure was fairly representative. A student's parent or a guardian would be notified by letter that the student failed to meet the required attendance or grade standards and had 30 days in which to improve. Failure brought a second warning letter, and another 30 days to improve behavior. Termination followed failure of this second warning.

Most Tier II projects had systems to detect the violations earlier, and often tried to personalize corrective action. In Syracuse, attendance violations triggered a meeting with a YIEPP counselor based in the high school. Berkeley, New York and Philadelphia used academic violations to mandate tutoring sessions. Monterey permitted students to "make up" for poor attendance by achieving perfect school attendance for a specified period. It also checked the students' academic performance biweekly and reduced the work hours for the students with poor grades. Monterey took academic performance so seriously, in fact, that even when it faced a budget problem, program management insisted on retaining the staff who monitored the standards.

The proportion of participants actually terminated from the program for school-related reasons is displayed in Table V-1.[1] As it reveals, that proportion was small. Several sites, however, improved their monitoring procedures and gave the standards more attention. There was a doubling in the proportion of standards terminations from the first to the second school year. Baltimore and Cincinnati, for example, tightened up their school attendance and performance enforcements noticeably. Additionally, these figures conceal the number of participants at several sites whose school performance actually improved as a result of warning letters or the provision of tutoring assistance. However, many other sites reveal no change at all, or actually appear to have slacked off in their enforcement efforts in the final year.

Sites which regarded standards as important, dedicating staff resources to their monitoring and enforcement, found standards often useful as a mechanism to start corrective action with participants, such as remedial tutoring. This requires considerable staff time, however, and it was hardly possible for the larger sites to give their students

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[1] It should be noted that the termination rates for dropping out of school and for standards violation differ from those reported in Table III-11. This results from breaking Table V-1 into two school-year periods. Many youths were participants in both school years, thus the termination rates for each year average less than the cumulative rates in Table III-11.

TABLE V-1

PARTICIPANTS TERMINATED FROM THE ENTITLEMENT DEMONSTRATION FOR SCHOOL-RELATED REASONS THROUGH AUGUST 1980, BY SITE

	Startup through August 1979				September 1979 through August 1980			
			% of non-graduating participants terminated				% of non-graduating participants terminated	
Site	Total Number of Participants[a]	Number of Non-Graduating Participants	Dropped Out of School	Unsatisfactory School Performance	Total Number of Participants[a]	Number of Non-Graduating Participants	Dropped Out of School	Unsatisfactory School Performance
TIER I								
Baltimore	12,105	9,751	9.4	2.9	11,004	9,656	9.4	6.8
Boston	7,269	6,296	4.7	2.0	6,742	5,600	6.3	1.8
Cincinnati	3,836	3,173	10.2	1.5	3,255	2,810	9.0	7.3
Denver	3,498	2,984	17.8	2.9	1,093	875	21.5	0.7
Detroit	7,382	6,128	4.5	0.9	9,320	8,506	18.1	1.7
King-Snohomish	4,222	3,609	10.9	0.4	3,905	3,409	12.4	0.2
Mississippi	9,507	7,119	12.4	1.1	8,610	6,645	14.7	2.9
Total Tier I	47,819	39,060	9.3	1.8	43,929	37,501	12.4	3.5
TIER II								
Alachua County	339	207	5.8	4.8	260	216	3.7	14.8
Albuquerque	779	582	29.7	0.3	1,104	925	10.3	0.2
Berkeley	902	704	3.1	0.4	884	648	3.9	1.2
Dayton	71	51	9.8	2.0	302	257	3.5	0.0
Hillsborough	220	181	17.1	0.6	209	154	20.8	0.6
Monterey	258	208	18.3	4.8	491	434	13.6	0.7
New York	892	825	4.8	0.4	1,273	913	3.2	3.2
Philadelphia	364	270	5.2	2.2	460	363	5.8	0.8
Steuben County	251	202	24.3	0.0	206	167	19.8	0.0
Syracuse	1,329	1,117	8.4	0.5	919	781	9.2	2.4
Total Tier II	5,405	4,347	11.0	1.0	6,108	4,858	7.9	2.0
TOTAL DEMONSTRATION	53,224	43,407	9.4	1.7	50,037	42,359	11.9	3.3

SOURCE: Tabulation of Status Forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all participating youths in the Entitlement Demonstration during the periods from March 1978 through August 1979, and September 1979 through August 1980. A "participant" is an enrollee who has actually worked on an Entitlement worksite. "Non-graduating" participants are those who have not left the Demonstration because of graduation from high school. They include youths who were still enrolled as of August 1979 (1980) and youths who departed during those specified time periods for reasons other than graduation.

[a] The total number of participants over the two time periods appears larger than the total number of participants overall (76,051) since some youths' participation carried through the two periods.

individual attention. Their management capacity was already strained, and YIEPP budgets and regulations did not provide for the higher levels of counseling and tutoring needed to make such an intervention useful.

As the demonstration progressed, school officials at those sites where standards were applied consistently became, in general, more supportive of the YIEPP program. Research consultants visiting Tier I sites reported fairly dramatic changes in enthusiasm for the program. Consultants who regularly visited Tier II sites also reported changes in staff attitudes over time, although the program had generally elicited greater school approval in these sites from the beginning. The demonstration experience thus seems to indicate that while there is promise in conditioning employment on school performance, the process in YIEPP was substantially more complex and time-consuming than program operators had anticipated. Since one of the purposes of the demonstration was to discover problems in program implementation, that purpose was well served on the school standards issue. The fact remains, however, that school standards were not effectively enforced during the first year in Tier I sites, and they were consistently enforced in only a few sites during the demonstration as a whole.

Schools and Other Program Activities: Recruitment, Work Sponsorship, Program Management

As specified in the legislation, public school systems were willing to assist in the recruitment of YIEPP participants. As discussed at greater length in Chapter III, schools were the primary recruitment source for their own students, publicizing the program heavily during the early months. While the level of their efforts tended to trail off, schools usually made time and space available to recruitment staff throughout the demonstration period. The schools did not, however, play a strong or effective role in the recruitment of school drop-outs, as also noted in Chapter III.

Public schools were, in addition, the single largest type of public institution to provide work experience for participants. As Chapter IV has mentioned, schools in some communities were willing to employ youths temporarily when prime sponsor job developers fell behind the pace of new enrollments. During school years, school worksites were especially convenient for students, while schools benefited as well from students' work in maintenance, food service, and clerical activities. The proportion of job-hours participants spent in the public schools declined in the summers, but generally schools accounted for some 20 to 25 percent of all job-hours.

At five of the Tier II sites, and originally in one Tier I site (Detroit), school systems also managed YIEPP, either jointly with prime sponsors or under contract to them. The problems which the Detroit school system encountered in trying to launch that very large project, and its lack of management support, have been discussed in earlier implementation reports, but generally that management venture was a failure. At the Tier II projects, school management generally proceeded more effectively, notably at the Monterey and Albuquerque sites, where the schools had an established tradition of managing youth employment programs for the CETA prime sponsor.

While the Monterey and Albuquerque projects were regarded by consultants and program monitors to be among the most efficiently operated of the Tier II projects, it was not so evident that this resulted from management by the school system. It depended equally on the effectiveness of the program's management team. Monterey staff, for example, made use of school standards to encourage performance, but another school-managed project, Philadelphia, was lax in the enforcement of school standards. Further, while school sponsorship could help YIEPP's reputation in the community, the critical factor was still the dedication and skill of management. Monterey staff, for example, interested private employers in YIEPP as a school program, but the school-managed Dayton project struggled with its private sector component throughout the demonstration, and continued to experience overall program management and under-enrollment problems.

School System Accommodation to Enhance and Facilitate YIEPP Work Experiences: Flexible Scheduling and Academic Credit for Work Experience

Early in the demonstration, school systems were asked to shorten or alter their normal hours for at least some YIEPP students to enable these youths to put in their maximum work hours. In sites like Boston, where flexible scheduling had been used before, the reconciliation of schedules was not an issue. These sites, however, were in the minority. Although there was a general willingness among local educational agencies to cooperate with the prime sponsors on this issue, most school systems did not have a flexible scheduling system in place; moreover, they understandably needed a fair amount of "lead time" to alter schedules. Prime sponsors found they had the best luck in negotiating flexible scheduling if they worked on a case-by-case basis rather than trying to achieve an across-the-board change for program participants.

Despite the cooperation expressed by most individual schools, difficulties around flexible scheduling continued to exist, and some appeared to crop up shortly after the issue had apparently been resolved. In the 1979/80 school year, school districts at five sites that had implemented flexible scheduling during the prior year -- Detroit, King-Snohomish, Baltimore, Philadelphia and Albuquerque -- reinstituted their more traditional policies. While some prime sponsors were inclined to view this as "backsliding," it is not entirely clear that such policy reversals were solely a result of local choice. State requirements mandate the minimum number of class hours, and during the demonstration period, some states increased these minimum requirements.

Other factors, also quite beyond the control of local school districts, acted as constraints, primarily the need to assure an effective balance between available resources and course offerings. Schools arrange their program schedules around the size of the youth population and, to the extent permitted by local tax revenues, to allow for program electives. As local tax revenues and student enrollments have declined (as they did nationwide during this period), so the number of teachers has decreased, and as a result, many courses have been offered fewer times during the day, limiting scheduling options considerably. While this situation was most apparent in Cincinnati, where the public school system was dangerously close to insolvency during this period, it was present in varying degrees in all sites by the end of the demonstration.

A second issue that prime sponsors raised to schools concerned the award of academic credit for work experience. The Youth Act had encouraged such credit, both as an incentive for participation and as an action which would help work experience be recognized as an educational learning experience.

When YIEPP prime sponsors first approached the schools to discuss credit, several met with vocal resistance. Some educators questioned the quality of CETA work experience programs and, perhaps significantly, questioned the ability of a non-educational agency to judge what was educationally credit-worthy. That CETA administrators might make such a determination was viewed as an encroachment on the schools' professional expertise. The issue was further complicated by the diversity of state regulations governing credit and the generally negative attitude of many state education agencies toward academic credit for work. Local and state vocational/occupational educators particularly opposed the awarding of such credit, perceiving any movement in that direction as an erosion of their professional status and their own cooperative education and work/study programs. They frequently expressed skepticism about work experience positions developed by local employment and training agencies.

Despite these initial problems, academic credit for YIEPP work was negotiated to some extent in all sites, except Steuben County, by the demonstration's close. Again, the resistance could be overcome as long as the prime sponsors did not push for across-the-board acceptance. In Detroit and Mississippi, for example, State Departments of Education altered their policies halfway through the demonstration period to allow for the provision of credit. In both cases, the award was predicated upon local policies establishing criteria for the kinds of work experience which could be considered credit-worthy.

It is not especially clear what the granting of credit accomplished in YIEPP, either in policy terms or in the building of school/prime-sponsor cooperative relationships. Except where schools were program managing agents -- and therefore had to be familiar with the jobs developed -- school systems evinced no interest in monitoring the quality of jobs. Educational personnel, even at school-managed sites, did not appear to interact with project staffs as they developed and monitored the jobs.

A larger question -- which the granting of credit did not really address -- was the relationship of the credit award to the student's educational program as a whole. Unless the work experience was tied in some way to a school's curricular strategy, or used by academic or vocational teachers as a life situation from which students could draw some relevant lessons -- which rarely occurred, if at all -- then the credit award could have the primary effect of reducing other academic course work which could otherwise benefit a student. The schools cooperated with prime sponsors by giving in-school students credit as an added incentive to join the program, and that was all. Given the value of the wages and the work experience alone to disadvantaged YIEPP eligibles, it is not clear that an added incentive was necessary or educationally useful.

Schools and the Provision of Educational Services to Participants: Traditional Education, Alternative Education, and Educational Enrichments

The pattern which emerges from an examination of the roles of the schools in YIEPP, is first, that public schools cooperated as best they could in the reporting of participant attendance and performance. They also helped to recruit participants, particularly the youths already enrolled in school. Additionally, most schools were usually willing to adjust class schedules and to award the students credit for experience, at least on an individual basis. These activities were, however, peripheral to the schools' main business -- the education of students -- and were carried out for the most part to accommodate prime sponsors.

These YIEPP activities were inexpensive. Program guidelines did not permit the allocation of YIEPP funds to enrich the resources available to public schools for teaching in the regular high school system. Where YIEPP prime sponsors could show that there were insufficient alternative forms of education for returning drop-outs, YIEPP funds were spent to enhance the existing ones, or to create a new capacity where there were too few providers.

As Table V-2 indicates, most returning drop-outs elected to enroll in alternative education or GED-preparation classes. Over the course of the demonstration, almost 900 youths enrolled in alternative schools, operated generally by school systems, and over 4,800 youths enrolled in GED programs, run either independently or by school districts. In Baltimore, the school system and prime sponsor had previously collaborated to improve educational options for school drop-outs, and under YIEPP, they continued to do so. In Syracuse and Boston, an existing network of alternative schools was augmented during the demonstration, and Boston, in addition, opened some new programs. One site, Mississippi, had no alternative education and very little GED-preparation capacity. YIEPP funds helped to create the first GED programs in that area.

In recognition of the financial constraints in the YIEPP legislation

TABLE V-2

EDUCATIONAL STATUS OF DROPOUTS AFTER ENROLLMENT IN THE ENTITLEMENT DEMONSTRATION

Site	Number of Dropouts Enrolled	Percentage Distr. of Dropouts by Site	Status After Enrollment [a]		
			% in Traditional High School Degree Program	% in Alternative Education Program	% in GED or Equivalency Degree Program
Tier I					
Baltimore	2,403	31.3	32.7	25.8	39.1
Boston	892	11.6	20.0	1.4	78.6
Cincinnati	566	7.4	20.5	0.4	79.1
Denver	557	7.2	14.4	2.5	83.1
Detroit	1,291	16.8	6.0	16.6	72.7
King-Snohomish	852	11.1	17.1	5.6	70.5
Mississippi	746	9.7	9.4	0.7	89.9
Total Tier I	7,307	95.1	19.7	12.4	65.9
Tier II					
Alachua County	7	0.1	100.0	0.0	0.0
Albuquerque	77	1.0	82.4	8.1	9.5
Berkeley	33	0.4	32.0	24.0	44.0
Dayton	10	0.1	33.3	11.1	55.6
Hillsborough	55	0.7	5.8	1.9	78.8
Monterey	48	0.6	37.0	6.5	37.0
New York	10	0.1	40.0	0.0	60.0
Philadelphia	14	0.2	28.6	0.0	50.0
Steuben County	65	0.8	10.9	0.0	89.1
Syracuse	57	0.7	15.8	31.6	52.6
Total Tier II	376	4.9	34.4	9.8	50.6
Total Demonstration	7,683	100.0	20.4	12.3	65.2

SOURCE: Tabulations of Enrollment forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all youths enrolled during the period from February 1978 through August 1980. A "dropout" is a youth who was not enrolled in any type of educational program in the semester prior to enrollment in Entitlement.

[a] The percents may not add to 100.0 because some youths were permitted to enroll in the Demonstration without being enrolled in an educational program (2% of all dropouts).

(compared, for example, with the formula-allocated Youth Employment and Training Program, where 22 percent of the program funds were spent on work-related educational services), the Department of Labor in early 1979 decided to make additional funds available to the YIEPP prime sponsors so that they could launch a small-scale Enrichment program. These additional funds became available because of a slower-than-expected build-up of enrollments in the early demonstration months, and they were to be used to permit sites to increase remediation, vocational training, job search, and other work- and education-related services for a limited number of participants. Some $5.85 million was allocated by a formula (which reflected both total and drop-out enrollment at each project) to 14 of the 17 prime sponsors who submitted acceptable proposals.

Thirty Enrichment projects were subsequently carried out. Eleven of them were directly related to educational remediation; these were usually managed by the schools. As one example, Detroit proposed to strengthen its monitoring of student standards, and to provide tutoring to students with poor grades. Mississippi proposed two Enrichments: one to increase alternative education options for drop-outs (managed by community organizations), and the other to provide educational remediation for in-school youths not meeting performance standards. Altogether, almost half of the funds budgeted for the Enrichments went for these types of remediation projects.

The implementation of the Enrichment projects is discussed at length in an MDRC report, but to summarize the general experience briefly, implementation varied, depending greatly upon the management capability of the staff involved.[1] Many of the Enrichment projects did not reach the capacity they had proposed, but the interest of prime sponsors and schools in enhancing remediation -- and the fact that most of these efforts were tied to YIEPP attendance and performance standards -- underscores the potential for employment programming which is based on school performance. The research also highlighted the need for additional educational resources as a necessary condition for this kind of strategy.

Most observers in the field reported a kind of an awareness curve on the part of school officials in YIEPP communities. From a position of relative indifference or mere willingness to cooperate in activities which were relatively cheap and peripheral to educational services, educators at both the individual schools and higher administrative levels took increasing notice of the efforts by prime sponsors to enforce educational standards. That work experience can be a useful starting point to encourage better student performance was reflected in the response of schools and prime sponsors to the Enrichment projects, even though the school/prime-sponsor cooperation which evolved did not include the kinds of substantive curricular changes which other YEDPA demonstrations attempted.

As many have observed, substantive change, which seeks to integrate employment and training with educational services, is likely to be slow in developing.[1] School systems are much older institutions than are local employment and training agencies; with strong local bases and interested constituencies, school systems do not change their educational practices either easily or quickly. Experience with the educational reforms of the 1960s has also increased the wariness of many school officials about any changes which are not directly related to the schools' primary mission: the education of students in the cognitive skills.

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[1] Robert Ivry, Carl Wolfhagen and Carl E. Van Horn, The Enrichment Program: Strengthening the School-Work Linkage in the Youth Incentive Entitlement Pilot Projects, New York: MDRC, March 1982.

The advantage of the YIEPP model, as underscored by the performance-linked Enrichments, is that YIEPP signaled to educators when students needed basic remediation and gave them an incentive to provide it. YIEPP was also a starting point for communication between many schools and prime sponsors, focusing them upon a concrete subject of mutual interest. It may be that more substantive kinds of collaboration -- those which integrate the youths' work and training into classroom education, while permitting each institution to provide the services in which it has the greatest expertise -- can be built upon modest cooperative initiatives, such as these school-linked work incentives.

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[1] See, for example, Gregory Wurzburg and Joseph Coleman, Involving Schools in Employment and Training Programs for Youth, Office of Program Evaluation, Employment and Training Administration, U.S. Department of Labor. Washington, D.C.: U.S. Government Printing Office, 1979.

CHAPTER VI

THE COST OF THE YIEPP DEMONSTRATION

There are many ways to define the "cost" of a government effort such as the YIEPP demonstration. This report adopts the most straightforward approach and presents the direct government outlays or budget expenditures incurred in operating and evaluating the demonstration -- for example, wage payments to participants, counselors or administrative staff; the rental of space and equipment; the data collection and the research. The focus is on federal and local funds expended, and specifically those spent on YIEPP activities. Additional costs or offsetting savings outside of the YIEPP budget are not included.[1]

The first sections of this chapter report on the costs of YIEPP as it was implemented at the 17 sites during the two and one-half year demonstration period. A subsequent section compares YIEPP's cost to that of other youth programs. The final section provides estimates of the costs of expanding YIEPP nationwide, using alternative assumptions about the program's design and implementation.

Demonstration Costs

Total Costs and Cost Components

Total expenditures for the YIEPP demonstration -- covering the 30 months of site operations and the projected completion of the research effort -- were approximately $240.2 million. As shown in Table VI-1, site operations accounted for 93.4 percent of all expenditures; the remainder was distributed to research (5.2 percent) and MDRC oversight (1.4 percent) categories.[1]

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[1] As discussed below, local funds were provided under a matching provision in the enabling legislation. Examples of additional costs not considered in this chapter include those incurred by employers in providing supervisors, materials, and equipment used in YIEPP jobs, or by schools in absorbing returning drop-outs, although in some cases, a modest share of these costs was funded with YIEPP dollars or local matching funds. Potential savings include reduction in budget outlays on other government programs and services resulting from YIEPP's implementation.

Overall, $224.3 million was spent on site operations. Table VI-2 shows the operating costs by site and by the four major cost categories: (1) participant wages, fringe benefits, and allowances; (2) program management and client services; (3) worksite supervision; and (4) training. These categories were established to facilitate program management and fiscal monitoring of the sites, and expenditures within these categories largely reflect national program guidelines which emphasized the provision of employment as the main program "service." From the beginning, these guidelines had specified that the bulk of YIEPP resources should be devoted to wage costs associated with provision of the job guarantee.

Based on site experiences during the first operating year, a demonstration-wide target, or standard, for expenditures was established in early 1979, and all sites were expected to spend at least 60 percent of their operating budgets on participant compensation.[2] As shown in

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[1] Any additional Department of Labor costs are not included, but can be presumed to be minimal.

[2] The establishment of a specific target resulted from several of the sites spending a disproportionate amount of their resources on program management during the first nine months of program operation, usually as a result of their employing fewer youths than projected in the original proposals. This problem, in turn, resulted from the general absence of good data on which to base such projections and a natural desire on the part of program operators, MDRC, and the Department of

TABLE VI-1

SUMMARY OF EXPENDITURES FOR THE YOUTH ENTITLEMENT DEMONSTRATION

Category	Expenses ($ millions)	Percent of Total Expense
Site Operations[a]	$224.3	93.4%
MDRC Oversight and Monitoring[b]	3.3	1.4
MDRC Research[c]	2.7	1.1
Research Contracts and Consultants[d]	9.9	4.1
Total Demonstration	$240.2	100.0%

SOURCE: MDRC fiscal reports and site Combined Operating Reports.

NOTES: Site expenditures and MDRC oversight costs cover the period through August 31, 1980. MDRC research costs cover actual expenses through April 30, 1982. Research contract and consultant costs cover actual expenses through April 30, 1982 and projected costs for completion of Impact Study.

[a] Reflects all reported operating expenditures by the sites, including both grant and "match" funds.

[b] Includes total expenditures by MDRC for demonstration management, operational monitoring, and fiscal services. It also includes one-half the cost of maintaining the Entitlement Information System.

[c] Includes sums spent by MDRC to design and manage the research, conduct specialized studies, and approximately one-half the cost of maintaining the Entitlement Information System.

[d] Indicates the amount of funds spent by subcontracted research organizations and consultants to conduct surveys, impact analyses, provide computer services, and carry out other research tasks.

TABLE VI-2

DISTRIBUTION OF ENTITLEMENT SITE COSTS, BY MAJOR BUDGET CATEGORY

Site	Total Expenses ($000)	Percentage Distribution, by Budget Category				
		Participant Compensation	Program Management and Client Services		Worksite Supervision	Training
			Staff	Other		
Baltimore	52,398	63	18	6	8	5
Boston	39,301	59	23	10	4	4
Cincinnati	15,090	63	23	5	8	1
Denver	10,925	59	32	9	0	0
Detroit	28,599	62	28	8	1	1
King-Snohomish	15,507	62	25	5	7	1
Mississippi	39,337	71	15	7	5	2
Total Tier I	201,157	63	22	7	5	3
Alachua County	1,421	66	26	8	0	0
Albuquerque	3,110	64	30	4	0	2
Berkeley	4,311	54	42	4	0	0
Dayton	787	61	35	4	0	0
Hillsborough	1,065	64	29	6	0	1
Monterey	1,560	56	35	9	0	0
New York	3,952	64	33	1	0	2
Philadelphia	2,013	57	33	10	0	0
Steuben County	1,231	48	18	7	23	4
Syracuse	3,723	60	35	2	0	3
Total Tier II	23,173	60	33	5	1	1
Total Demonstration	224,330	63	23	7	4	3

SOURCE: Tabulations from Combined Operating Reports.

NOTES: The costs shown include all site expenses from the inception of the Demonstration (February 1978) through the end of the Demonstration (August 31, 1980).

Table VI-2, this target was, on average, slightly exceeded, and wage costs reached a level of 63 percent of total operational costs.

The second largest category covered costs for program management and client services, a category combining CETA's separate "administration" and "client services" into one. This category covered all basic administrative costs in the demonstration, as well as most of the costs of special services when they were provided, such as transportation, group counseling, or day care. The costs in this administrative and service category amounted to 30 percent of all operating costs, and as seen in Table VI-2, the bulk of the expenditures, not surprisingly, went for staff salaries.

Because, in most instances, employers were receiving wholly subsidized labor through the program, MDRC and the Department of Labor ruled out worksite supervision payments to private sector work sponsors, and strongly discouraged such payments to employers in the other sectors. However, there were some exceptions whereby public and nonprofit worksite supervisors were paid from budgeted YIEPP resources, or received a supplemental payment to their base wage rate for supervising YIEPP

Labor to ensure that enough funds were budgeted so that all youths who wanted a job would, in fact, receive one. Therefore, there was a tendency during the planning stage to over-estimate expected enrollment levels and, by implication, the staff numbers required to serve the youths to make sure that the guarantee was maintained, no matter how many youths came forward. See First Implementation Report, pp. 47-54. For this reason the first year of the demonstration was used to develop a reasonable standard, which in turn became the basis for subsequent budget negotiations with each site. YIEPP could have been structured quite differently, however, spending more on counseling and less on participants' wages; or, sites might have been pushed toward the administrative cost ratios used in other CETA programs.

participants. For example, several of the larger Tier I sites, like Baltimore and Boston, used supplementary payments in certain worksites to ensure creation of an adequate number of jobs. Steuben County, the only Tier II site authorized to spend YIEPP funds on worksite supervision, was allowed to do so because of that project's reliance on "innovative," project-created worksites, such as its theater arts jobs. The supervisory payments, 23 percent of Steuben's total costs, are shown in Table VI-2. Overall, however, the demonstration's worksite supervision category accounted for just 4 percent of all YIEPP's operating costs.

Finally, demonstration training costs amounted to some 3 percent of total operating costs. Here again, this relatively low figure reflects the program's emphasis on the test of a job guarantee, rather than training. Additionally, program planners wanted to ensure that resources in this category were not spent on academic programs which local schools were delegated to provide. When allowed, training costs were allocated only to activities related to the job assignments of participants, such as "world of work" orientation sessions and vocational testing. In some cases -- notably in Boston, Baltimore and Steuben County -- this category could be used to report the costs of funding alternative educational services where they were inadequate and needed outside of the local school systems.[1]

In summary, Table VI-2 reveals that the majority of project operating costs were expended in the form of participant wages. Site variations across categories, where they occurred, resulted mainly from differences in project operating strategies (although some variation can be accounted for by regional differences in staff wage rates). These variations, in turn, were influenced by different local needs within the overall program framework.

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[1] In some other sites, the costs of alternative education were subsumed under the category of program management and client services.

The Local Match Share

Prime sponsors participating in the demonstration were strongly encouraged to provide some share of project costs as a measure of commitment. No matching level was specified, however, and the amount of local share was simply noted in the Youth Act as one of the criteria to be considered in site selection. Table VI-3 presents the final distribution of projects' costs by source, and once again reveals a fair amount of variation, both in amount and source of matching funds.

On the whole, about 19 percent of site expenditures was covered by resources other than national demonstration funds. Across sites, the amount of match ranged from zero in Monterey to 40 percent and 45 percent, respectively, in Berkeley and Syracuse. In the case of Monterey, the prime sponsor was unable to provide matching funds because of other local commitments, but instead guaranteed contingency funds if high enrollments should push expenditures above the budgeted site allocation. On the other hand, Syracuse and Berkeley, in order to run city-wide Tier II programs, committed fairly large shares of funds from the Summer Youth Employment Program (SYEP), other CETA youth programs (primarily YETP), and other local funds. It should be noted that, during the demonstration period, a fairly large amount of national funding was available for the Youth Act's various initiatives. Some sites had greater freedom to use these funds for YIEPP than others.

TABLE VI-3

DISTRIBUTION OF ENTITLEMENT SITE COSTS, BY SOURCE OF FUNDS

Site	Total Expenses ($000)	Percentage Distribution, by Source of Funds				
		YIEPP[a]	SYEP[b]	Other YEDPA[c]	Other CETA[d]	Other
Baltimore	52,398	78	11	0	9	2
Boston	39,301	84	1	0	13	2
Cincinnati	15,090	89	11	0	0	0
Denver	10,925	82	8	0	10	0
Detroit	28,599	78	16	1	5	0
King-Snohomish	15,507	76	0	24	0	0
Mississippi	39,337	83	3	6	6	2
Total Tier I	201,157	81	7	3	8	1
Alachua County	1,421	85	6	7	2	0
Albuquerque	3,110	89	3	0	0	8
Berkeley	4,311	60	19	16	0	5
Dayton	787	97	0	0	3	0
Hillsborough	1,065	90	3	3	4	0
Monterey	1,560	100	0	0	0	0
New York	3,952	69	0	2	29	0
Philadelphia	2,013	90	0	0	10	0
Steuben County	1,231	66	0	0	34	0
Syracuse	3,723	55	15	10	13	7
Total Tier II	23,173	75	7	5	10	3
Total Demonstration	224,330	81	7	3	8	1

SOURCE: Tabulations from Combined Operating Reports.

NOTES: The costs shown include all site expenses from the inception of the Demonstration (February 1978) through the end of the Demonstration (August 31, 1980).

[a] YIEPP represents the Youth Incentive Entitlement Pilot Projects grant funds.

[b] SYEP stands for Summer Youth Employment Program.

[c] Other YEDPA represents other programs of the Youth Employment and Demonstration Projects Act.

[d] Includes Public Service Employment.

In calling on a variety of CETA sources for matching funds, Syracuse and Berkeley were typical of the other sites. Of all the matching funds, almost 95 percent came from CETA sources, primarily the Summer Youth Employment and the Public Service Employment programs. Several sites, for example, used portions of their SYEP resources for participant wages during summer months, employing an enrollment mechanism, approved by the Department of Labor, whereby YIEPP participants were also enrolled in SYEP. Additionally, a number of sites hired staff in Public Service Employment slots which, especially in the larger sites, was a convenient way of meeting match requirements.[1] In short, the amount and mix of matching funds across the sites, as seen in Table VI-3, largely reflect the relative availability of "unmortgaged" CETA allocations to the individual prime sponsors.

One potential source of matching funds never fully utilized was reimbursement payments due from certain private sector worksites for a portion of participant wages. As explained in Chapter IV, in an effort to reduce the full wage subsidy initially offered to the private sector, a subsidy reduction plan was instituted requiring, at minimum, that a participant's wage subsidy be reduced to 75 percent after satisfactory work performance for six months. After one year's work, the subsidy decreased to 50 percent. Prime sponsors were reluctant, however, to jeopardize relationships with private sector firms, and the plan, in general, was not enforced with any enthusiasm. Collections proved haphazard and, in the end, the payments never added up to much.

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[1] It should be noted, though, that some prime sponsor directors, in reviewing this staffing mechanism during the course of the demonstration, noted that they would not follow this route again due to their dissatisfaction with the quality of the personnel available to work as counselors through PSE positions. Moreover, changes in the regulations governing the PSE program resulting from the 1978 CETA amendments, specifically those that set a limit of 78 weeks on participation, meant that many PSE staff had to be fired from the projects and replaced, thereby causing some disruption to program operations. Finally, the elimination of the PSE program, announced in early 1981, foreclosed the use of this matching source in the future.

But, even if these plans had been enforced, repayments would have contributed little to program funding. Assuming that a 25 percent share of all wage costs had been collected from the start (a 75 percent wage subsidy, as in Mississippi) private sector reimbursements would have amounted, at the most, to 3 percent of project operating costs.[1] Moreover, as pointed out in Chapter IV, the wage subsidy reduction experiment indicated that the private sector take-up rate of subsidized youth labor dropped sharply as the subsidy level was reduced. Had a flat 75 percent wage subsidy been part of the YIEPP model, it could have caused the costs of job development to soar and perhaps made it difficult for sites to meet the job guarantee.

Average Unit Costs

Expressing total demonstration spending in terms of unit costs -- cost per year or per youth served -- has several analytic advantages. First, budgeting and planning on an annualized basis (per participant or service year) is an established practice; these figures form the basic building blocks for estimating operating costs of programs. Annual unit costs are also critical for projections, since the assumptions used in calculating them are explicitly spelled out. Finally, estimates of annual unit costs allow comparisons to be made between the various sites in the same program, or for different programs, without regard to size.

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[1] This calculation is based on the reimbursement rate of 25 percent, and the fact that, in the demonstration as a whole, private sector worksites accounted for 19 percent of the total work hours. It is also assumed that participant compensation amounted to 63 percent of operating costs, as in the demonstration.

Also important is the average cost per participant for the full program period, which can be directly compared to estimates of program impact per participant, facilitating the determination of a program's worth. Additionally, an examination of unit costs -- both on an annual basis and for the program as a whole -- helps to identify the elements that are most easily subject to policy manipulation (e.g., the wage rate and the number of offered work hours) and the ones which cannot be so readily controlled (e.g., participation rates and eligibility screening).

Three cost estimates have been developed in this section. The first, the cost per service year, is the cost of keeping one youth working in a YIEPP job for a full year, or 12-month period.[1] The second, *annual cost per participant*, is simply annual site expenditures divided by the number of participants active in the year. The distinction between the two arises from the fact that, while cost per service year will measure the cost of a full year of active YIEPP participation, most participants worked less than that in any given year-long period. Annual cost per participant is thus affected by how long the youths stayed in the program during a year. The third cost measure, *average cost per participant*, is the total 30-month site expenditure divided by the number of participants who worked at any time in that period.

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[1] In order to obtain more accurate estimates of ongoing operating costs, unit costs were derived from site expenditures, excluding MDRC oversight and research. Depending on how an ongoing program was structured, however, there would undoubtedly be some central oversight expense, but probably less than the 1.4 percent spent on oversight of the demonstration activities (see Table VI-1). In developing estimates of cost per service year, the average end-of-the-month number of participants during a semester was used to estimate the average number of program slots offered during that semester. Service-year cost was calculated by dividing total dollars spent during each of the three program semesters making up the last year of the demonstration by the average end-of-the-month participant levels, and summing the results. Semester periods were used since monthly cost data were not always accurate. In short, this method converts participant levels into slot levels to derive an annual cost per slot or cost per service year.

Table VI-4 presents the annual cost per participant and cost per service year during the last year of the demonstration. This period was chosen as the basis for annual cost measures for two reasons. First, it was assumed that the participation rates and patterns in this later period would most closely resemble those which could be found in ongoing programs. Second, the last demonstration year -- from September 1, 1979 through August 31, 1980 -- approximates the federal fiscal year of 1980 (October 1, 1979 through September 30, 1980), thereby allowing a comparison of YIEPP's annual cost for this period with the costs of other youth employment programs.[1]

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[1] The geographic boundaries of some sites were expanded during this last year, which make it somewhat uncharacteristic. Nevertheless, these expansions did not elicit such large numbers of new enrollees as to significantly affect the cost figures. Choice of an earlier measurement period would have led to lower estimated costs. For example, Appendix Table B-25 shows that service year costs in the last year of the demonstration were 11.6 percent above those in the preceding 12 months

TABLE VI-4

ANNUAL COST PER PARTICIPANT AND COST PER SERVICE YEAR, FOR THE YEAR SEPTEMBER 1, 1979-AUGUST 31, 1980, BY SITE

Site	Total Cost	Total Participants	Cost Per Participant		Cost Per Service Year	
			Total Cost	Grant Share	Total Cost	Grant Share
Tier I						
Baltimore	$23,403,022	11,004	$2,127	$1,659	$4,012	$3,129
Boston	17,008,837	6,742	2,523	2,119	4,973	4,177
Cincinnati	5,987,493	3,255	1,839	1,638	4,029	3,586
Denver	2,088,830	1,093	1,911	1,567	6,128	5,025
Detroit	15,374,196	9,320	1,650	1,287	3,929	3,065
King-Snohomish	6,503,832	3,905	1,666	1,266	4,183	3,179
Mississippi	18,484,479	8,610	2,147	1,782	5,435	4,511
Total Tier I	88,850,689	43,929	2,023	1,639	4,430	3,588
Tier II						
Alachua County	$ 488,374	260	$1,878	$1,596	$4,752	$4,039
Albuquerque	1,956,639	1,104	1,772	1,577	3,580	3,186
Berkeley	1,715,479	884	1,941	1,165	4,396	2,638
Dayton	503,611	302	1,668	1,618	3,855	3,739
Hillsborough	480,072	209	2,297	2,067	5,116	4,604
Monterey	886,700	491	1,806	1,806	4,354	4,354
New York	2,242,720	1,273	1,762	1,216	4,661	3,216
Philadelphia	1,053,439	460	2,290	2,061	3,894	3,515
Steuben County	500,423	206	2,429	1,603	5,335	3,521
Syracuse	1,394,888	919	1,518	835	3,469	1,908
Total Tier II	11,222,345	6,108	1,837	1,378	4,077	3,058
Total Demonstration	$100,073,034	50,037	$2,000	$1,620	$4,382	$3,549

SOURCE: Tabulations from Status forms in the Youth Entitlement Demonstration Information System and from Combined Operating Reports.

NOTES: Cost-per-participant is calculated by dividing the total costs for the year by the number of participants (youths who were assigned to worksites) during the year.

Cost-per-service-year is calculated by dividing total costs during each program "semester" by the average monthly participation level during that semester, and summing the results. Semesters were defined to take into account the change in hourly wage, and part-time versus full-time employment periods (September - December 1979, January - May 1980, June - August 1980).

The grant shares are calculated by multiplying the total cost figures in each category by the percent of site costs financed from YIEPP grant funds. (See Table VI-3).

As the table shows, the average cost per YIEPP participant was $2,000, with costs by site for each participant ranging from a low of $1,518 in Syracuse to a high of $2,523 in Boston.[1] The average cost per service year was $4,382, with Syracuse spending the least of any site ($3,469), and Denver spending the most ($6,128).[2] If only federal YIEPP expenditures are considered, the average cost per participant falls to $1,620, and cost per service year to $3,549.

Table VI-5 presents data on the third cost measure, the average cost per participant over the full 30 demonstration months. For all sites, the average cost per participant was $2,950, with the lowest cost in Albuquerque ($1,982) and the highest cost in Boston ($4,012).

A number of factors explain the variation in these unit costs as revealed in Tables VI-4 and VI-5. First, since participant compensation, or wage costs, accounted for an average 63 percent of all expenditures (Table VI-2), factors that affected wages paid are an important con-

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($3,927). This increase was the combined result of the increase in the minimum wage from $2.90 to $3.10 per hour on January 1, 1980, the effect of inflation on non-participant wage costs, and a slight increase in the average hours worked during this last service year.

[1] Cost per participant was calculated by dividing the $100,073,034 spent during the year by the number of youths who worked in program worksites during the same period -- 50,037. In contrast, the cost per participant calculated for fiscal year 1979 in the Second Implementation Report was based on the number of youths enrolled in the demonstration during that year rather than on the number who actually participated. The $1,631 spent per enrollee reported in that document is therefore lower than the $2,000 per participant reported here because of changes in definitions as well as inflation.

[2] The definition of cost per service year used in this report differs from the definition of "full year cost per participant," a similar measure used in the Second Implementation Report. See Appendix Table B-25 for a discussion of differences between the two measures.

TABLE VI-5

COST PER PARTICIPANT
FOR THE FULL DEMONSTRATION PERIOD, BY SITE

Site	Cost Per Participant	
	Total Cost	Grant Share
Tier I		
Baltimore	$ 3,062	$ 2,388
Boston	4,012	3,370
Cincinnati	2,957	2,632
Denver	3,104	2,545
Detroit	2,333	1,820
King-Snohomish	2,406	1,829
Mississippi	3,036	2,520
Total Tier I	2,994	2,425
Tier II		
Alachua County	$ 2,986	$ 2,538
Albuquerque	1,982	1,764
Berkeley	3,376	2,026
Dayton	2,261	2,193
Hillsborough	3,258	2,932
Monterey	2,525	2,525
New York	2,610	1,801
Philadelphia	2,947	2,652
Steuben County	3,537	2,334
Syracuse	2,194	1,207
Total Tier II	2,616	1,962
Total Demonstration	$ 2,950	$ 2,390

SOURCE: Tabulations from Status forms in the Youth Entitlement Demonstration Information System and from Combined Operating Reports.

NOTES: Cost-per-participant is calculated by dividing total costs for the full Demonstration period (February, 1978 - August 31, 1980) by the number of youths who were assigned to worksites during the Demonstration.

The grant share of total costs is calculated by multiplying total cost figures by the percent of site costs financed by YIEPP grant funds. (See Table VI-3.)

sideration. Second, the components and the levels of non-participant costs also varied across all sites, explaining the remaining differences. These two types of factors are discussed below.

Average wage costs at a site depended on several different elements:[1]

The proportion of jobs above the minimum wage. While the wage bill was obviously affected by the wage rate, in practice this factor proved negligible. Most participants (except in Hillsborough) were paid at the minimum wage.

The number of hours worked per week. As indicated in Table VI-6, there was substantial variation in the average weekly work hours which were offered to, and worked by, the participants. At the extremes, 55 percent more hours were worked part-time each week (25 percent more in the full-time periods) in King-Snohomish, the site with the longest work week than at the site with the shortest work week (Syracuse). Obviously, other things being equal, the service year and per participant costs will be higher at the sites where the youths put in more work hours.

Number of weeks worked per year. The number of weeks of full- and part-time work provided in a given year differed across sites and over time. For example, a file check on the budget proposals of five YIEPP sites for the 1979 fiscal year showed one site offering eight complete weeks of full-time work, another providing nine

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[1] These elements in combination explain the level of the "unit" wage cost at a site. The aggregate wage bill was, however, also affected by the number of participants and thus by the size of the eligible pool and the participation rate.

TABLE VI-6

HOURS-PER-WEEK IN PART-TIME AND FULL-TIME ENTITLEMENT JOBS, BY SITE

	Part-Time Jobs		Full-Time Jobs	
	Hours-Per-Week		Hours-Per-Week	
Site	Offered[a]	Worked	Offered[a]	Worked
Tier I				
Baltimore	15	13.2	30	26.5
Boston	20	17.3	40	32.1
Cincinnati	15	14.5	35	30.8
Denver	20	17.0	40	32.5
Detroit	20	14.5	35	26.3
King-Snohomish	20	18.6	40	30.5
Mississippi	20	16.6	40	30.7
Total Tier I	n/a[b]	15.5	n/a	29.1
Tier II				
Alachua County	20	15.6	40	32.2
Albuquerque	15	13.1	30	26.4
Berkeley	20	13.3	40	28.4
Dayton	20	15.9	40	29.1
Hillsborough	20	16.6	40	31.9
Monterey	20	16.3	35	31.0
New York	15	12.3	35	30.7
Philadelphia	20	13.4	35	26.4
Steuben County	20	16.2	40	30.4
Syracuse	15	12.0	30	27.2
Total Tier II	n/a	13.6	n/a	28.6
Total Demonstration	n/a	15.2	n/a	29.1

SOURCE: MDRC field operations reports and tabulations of Participant Wages and Hours data in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all job hours during the period from March 1978 through August 1980.

[a] "Hours Per Week Offered" represents the general number of hours per week for jobs available to the Entitlement participants.

[b] Not applicable.

weeks, and three others supplying ten weeks during the summer of 1979. Weeks of part-time work during that year ranged from 34 to 43. Two of the sites offered less than 52 weeks of work, either full or part-time, during the year, one offering 48 weeks, and the other only 44 weeks. Thus, if there were no other differences, the average costs per service year and per participant were higher at the sites where youths worked more continuously throughout the year and where the periods of summer, full-time work were longer.

The length of paid participation. As shown in Table VI-7, there was substantial variation across sites in the average length of paid participation, ranging from about 22 weeks in King-Snohomish and Dayton to 38 in Baltimore.[1] Such variation would have a direct effect on each site's costs per YIEPP participant.

An examination of Tables VI-6 and VI-7 reveals the way in which these factors could interact to explain the site variation seen in Table VI-4. In general, since length of the work week was a major influence on the magnitude of cost per service year, sites with "long" weeks tended to have high service year costs (e.g., Denver, Steuben), while sites with

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[1] Chapter III discusses the demographic and other factors likely to affect the length of participation. For example, sites with a large proportion of black, in-school participants were likely to have higher costs. Chapters IV and V also point to variation in site efficiency in job placement, job development, and the strength of termination procedures for ineligible or poorly performing youths, which would affect the "percent of active weeks paid" figure provided in Table VI-7.

TABLE VI-7

AVERAGE NUMBER AND PROPORTION OF WEEKS PAID COMPARED TO WEEKS ACTIVE, BY SITE

Site	Number of Participants	Average Weeks Active	Average Weeks Paid	% of Active Weeks Paid
Tier I				
Baltimore	17,114	47.9	37.8	79%
Boston	9,796	44.3	35.1	79%
Cincinnati	5,103	40.7	28.3	70%
Denver	3,520	36.7	26.6	72%
Detroit	12,260	35.8	23.6	66%
King-Snohomish	6,444	30.4	22.1	73%
Mississippi	12,957	40.9	32.9	80%
Total Tier I	67,194	41.0	31.1	76%
Tier II				
Alachua County	476	38.0	31.2	82%
Albuquerque	1,569	34.7	24.9	72%
Berkeley	1,277	43.6	34.1	78%
Dayton	348	26.4	22.1	84%
Hillsborough	327	35.6	28.9	81%
Monterey	618	30.5	23.5	77%
New York	1,514	35.5	26.1	74%
Philadelphia	683	35.9	30.4	85%
Steuben County	348	37.9	27.7	73%
Syracuse	1,697	36.8	27.0	73%
Total Tier II	8,857	36.3	27.7	76%
Total Demonstration	76,051	40.4	30.7	76%

SOURCE: Tabulations of Status Change Forms and Wages and Hours data in the Youth Entitlement Demonstration Information System.

NOTES: Active time is calculated from the first date assigned to the last date assigned, and includes any intervening periods of inactivity (hold) or termination.

"short" weeks had lower ones (e.g., Cincinnati and Syracuse).[1] Similarly, differences in the youths' average length of stay had an effect on cost per participant, which can be seen most clearly by comparing Tables VI-7 and VI-5, where Boston's longer average length of stay and Detroit's shorter one show up in those sites' average costs. Hillsborough's relatively high cost resulted from yet another factor: the significant number of above-minimum wage jobs developed at that site. Additionally, length of stay and the number of hours worked per week could pull in opposite directions, as in Baltimore, where a long average length of stay and a short average work week combined to produce a participant cost near the average.

Relationships among these elements indicate that, while the total cost of an entitlement program like YIEPP will always be to some degree beyond control (depending as it does on the participation rate), unit costs are subject to direct manipulation by the administering agencies through hours and weeks of offered work. Limiting weekly hours may even be a useful mechanism to keep down total program costs since, for example, YIEPP's impact findings do not suggest that shorter hours in Baltimore affected youths' enthusiasm for the program. This policy, however, has the obvious disadvantage that the youths will earn less money.

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[1] While, in general, sites tried to maximize the number of hours they could offer participants, they were constrained by several factors. In the part-time period, school schedules, the number of hours available at the different worksites (public agencies and private-nonprofits, for example, were not open on weekends), closing hours during the work week, and the location of jobs relative to participants' homes and schools all had an effect on actual hours worked.

During the summer, when most of these constraints did not apply, other factors tended to reduce the number of hours offered, and worked, to below the legal maximum. Baltimore's situation is illustrative. That site ran a combined Summer Youth Employment and YIEPP program. In order to maximize the number of youths that could be served in the Summer Youth Employment program within its funding allocation, that site limited the hours offered to 30 per week. In other sites, public agencies and nonprofits were simply not open for a full 40-hour week, thus limiting the maximum to 35. Also, in some sites, such as King-Snohomish and Mississippi, alternative education was mandatory for returning drop-outs during the summer period, thereby diminishing the number of hours these youths could work. Finally, absenteeism and other breaks in youths' schedules accounted for some reduction in the number of hours offered and worked.

Average non-wage costs also varied for a number of reasons:

Expenditures on worksite supervision and training. While, in general, this did not happen frequently, it does, in part, explain the high cost per service year in Steuben County.[1]

Variations in program management and client services. Since major non-participant costs fell in this category, a detailed econometric study was conducted to determine (a) whether there could be economies of scale or large fixed costs, (b) the magnitude and duration of the start-up costs, and (c) whether unit costs could vary with participant characteristics.[2]

The first two questions are of particular importance in projecting costs of future replication. However, the analysis found no evidence of economies of scale; that is, there were no differences in unit costs between the larger and the smaller sites. This seems to indicate that there is no cost advantage to running YIEPP at any particular size within the range observed in the demonstration.

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[1] See Tables VI-2 and VI-4.

[2] Details of this study, conducted by Kamran Dadkah and Dan Sullivan of Abt Associates and Carl Wolfhagen of MDRC, are available on request.

There also were no major long-run fixed costs (i.e., a basic cost investment that would not vary nor be dependent on enrollment and participation levels).[1] An analysis of start-up demonstration costs suggests that such costs were moderate and limited to the starting spring semester. These findings therefore indicate that the average, final-year cost estimates presented above can be appropriately used for estimating ongoing program costs. Finally, the analysis shows that unit program management and client service costs were not related to the characteristics of participants.

Cost Comparisons

Table VI-8 compares the YIEPP cost per participant and per service year estimates with those for other nationally-funded youth employment programs. Since there were wide programmatic differences between programs, no close comparison can be made, but the range indicated in Table VI-8 at least suggests the types of costs that are associated with different youth employment strategies.

As can be seen, YIEPP's costs in those categories were slightly

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[1] The Second Implementation Report had suggested that economies of scale arose in the YIEPP demonstration since it appeared that larger projects within each tier tended to spend less when costs were measured per work hour -- that is, in terms of total costs divided by the number of hours of employment provided. (See Second Implementation Report, page 44.) The total costs of each YIEPP project per hour of paid participation are shown by program semester in Appendix Table B-26. Hours of paid participation are not used as a measure of program output in this analysis because they do not reflect program scale. Work hours may double, for example, when youths enter full-time work during the summer, but this does not indicate a doubling of program size or of program management and client services activity.

TABLE VI-8

COMPARISONS OF FEDERAL YOUTH EMPLOYMENT AND TRAINING PROGRAM COSTS

Program	Estimated Cost Per Participant	Estimated Cost Per Service Year
Youth Incentive Entitlement Pilot Project (YIEPP)	$ 2,000	$ 4,382
Youth Employment and Training Program (YETP)	1,570	4,167
Youth Community Conservation and Improvement Projects (YCCIP)	2,929	8,300
Young Adult Conservation Corps (YACC)	--[a]	11,075
Job Corps	--[a]	12,041
Supported Work[b]	6,014	11,072
Summer Youth Employment Program (SYEP)	880[c]	n/a[d]

SOURCE: Costs for YETP, YCCIP, YACC, Job Corps, and SYEP were prepared by the Employment and Training Administration, U.S. Department of Labor for use in preparation of 1982 budget requests. Costs for YIEPP and Supported Work were calculated by MDRC.

NOTES: All cost figures are for fiscal year 1980 except Supported Work figures, which are for calendar year 1979.

All costs-per-service-year reflect the average intensity of work per slot, but the exact methods used to produce the various cost estimates probably differ slightly among programs.

[a] Data not available.

[b] The Supported Work program served young school dropouts as one of four target populations. (The other groups were ex-offenders, ex-addicts, and women who were long-term welfare recipients.) The cost figures shown here are the average costs for serving all target groups. Annual costs cannot be identified for separate target groups since most Supported Work programs served more than one target group. Nonetheless, average public subsidy costs and length of stay for the youth target group were very similar to the averages for all target groups. See Summary and Findings of the National Supported Work Demonstration, MDRC, 1980, and Supported Work In Transition: Post-Demonstration Operating Experience, MDRC, February 1981.

[c] The SYEP program runs only during the summer.

[d] Not applicable.

higher than those for the Youth Employment and Training Program (YETP), the formula-funded national youth employment program administered by prime sponsors, which is probably the program most similar to YIEPP. They were, however, generally lower than the costs for other national youth employment programs less comparable in content.[1] For example, the Youth Community Conservation and Improvement Projects (YCCIP) was a full-time work experience program primarily intended for an out-of-school population, and the Young Adult Conservation Corps (YACC) also provided full-time work, mainly in park and conservation projects. YACC was residential in some areas, as is the Job Corps. The Summer Youth Employment Program is CETA's primary vehicle for providing summer jobs to youths, while Supported Work served young school drop-outs in a closely supervised work environment incorporating graduated levels of job performance.[2]

YIEPP and Supported Work costs in the table were estimated by MDRC; the other cost figures were estimated by the Department of Labor.[3]

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[1] Under YETP different types of services could be offered to participating youths during the school year and summer.

[2] The other target groups in the National Supported Work Demonstration were AFDC recipients, ex-addicts and ex-offenders. See the Board of Directors, MDRC, Summary and Findings of the National Supported Work Demonstration, Cambridge, Massachusetts: Ballinger Publishing Company, 1980.

[3] The Congressional Budget Office has published estimates of the fiscal year 1981 per-service-year costs of the programs compared here, which are generally higher than the estimates for the same period produced by the Department of Labor. The Congressional Budget Office's projection of YIEPP's cost per service year was far higher than that estimated by MDRC, since the Congressional Budget Office assumed that all YIEPP participants worked 40 hours per week during the summer and 20 hours per week during the school year rather than attempting to estimate the actual average intensity of work in the program. The differences between the estimates produced by the Congressional Budget Office,

When only the demonstration grant share of YIEPP program expenditures (total expenditures minus matching funds) is compared to the costs of other programs, the comparison becomes more favorable. The grant share of YIEPP costs came to $1,620 per participant in the last year of the demonstration and $3,549 per service year. Viewed that way, the cost of the YIEPP school-conditioned job guarantee was not out of line with other youth programs, and in fact was relatively low compared to the more traditional ones.

Projecting the Costs of an Ongoing National Program

As noted in Chapter I, in the Youth Act creating YIEPP, Congress required the Secretary of Labor to submit findings on the estimated cost of a YIEPP program extended to all areas. In such projections, the average cost estimates developed in the preceding section and the findings on participation, discussed in Chapter III, provide some of the basic building blocks. Others are presented below. However, since any projection involves judgments about the value of each element, it is critical to first clarify and evaluate these assumptions.

Critical Parameters and Assumptions

The cost of a nationwide YIEPP program depends on the specification and size of the eligible population, the participation rate among eligibles, the rate of ineligibility among participants, and the unit cost per

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Department of Labor and MDRC for fiscal year 1981 are shown in Appendix Table B-27. More recent Congressional Budget Office estimates of YIEPP's costs per service year are based on figures in this chapter. See Congressional Budget Office, Youth Employment and Education: Possible Federal Approaches, July 1980, and Improving Youth Employment Prospects: Issues and Options, February 1982.

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participant. Each of these is discussed below.

Eligible Population. Under the first targeting strategy considered below, all youths in the country meeting the program eligibility requirements of citizenship, age, low income, and high school status would be eligible to participate, regardless of place of residence. A second targeting strategy, which is similar to the one considered by Congress in the 1980 Youth Bill, restricts program eligibility to youths living within census-designated poverty areas.[1]

The size of the population eligible to participate under the first strategy was estimated from Current Population Survey (CPS) data collected in March of 1980.[2] It includes all youths aged 15 through 19 who meet two separate income standards and have not graduated from high school as of the survey date. Fifteen-year-olds were included because they become eligible to participate in YIEPP when they turn 16.

According to a study conducted by the Bureau of the Census,[3] incomes reported to the Current Population Survey are known to be understated, meaning that the Bureau's count of the eligible population includes some youths who do not really meet income eligibility requirements. Benchmark estimates of national program costs are based on the assumption that families which under-report income to the Current Population Survey will also under-report income to a YIEPP program operator, and, as a result, YIEPP will enroll a corresponding percent of ineligibles. One of the sensitivity analyses, as discussed later, will estimate the impact on program costs of tightening income verification standards.

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[1] Census-designated poverty areas are census tracts and minor civil subdivisions in which 20 percent or more of the population have incomes below the census-designated poverty level. The census poverty level and OMB poverty level are two distinct measures, but both are similar, since the OMB measure is based on the census measure. The OMB poverty level is usually somewhat higher due to rounding procedures.

[2] Estimates were produced at special request by the archive staff of the Inter-University Consortium for Political and Social Science Research in Ann Arbor, Michigan.

[3] U.S. Bureau of the Census, "Money Income of Families and Persons in the United States: 1978," Current Population Reports, Series P-60, No. 123, June 1980. According to this report, the aggregate income of United States residents as estimated from the CPS was only 90.4 percent of aggregate income which could be verified by other sources. This under-reporting leads to inflated estimates of the actual number of families with incomes below various poverty levels as counted by the Current Population Survey. The true number of families in poverty, therefore, remains unknown.

Two income standards were used in the benchmark analyses: the Office of Management and Budget (OMB) poverty level and 70 percent of the Bureau of Labor Statistics (BLS) lower living standard. The first standard, which is generally lower than the second, was applied during the demonstration, while the BLS standard is used in most CETA programs. The OMB poverty level for a non-farm family of four in 1980, for example, was $7,450 compared with a BLS standard of $8,940 for a family of four living in a metropolitan area.[1]

During the demonstration, youths were also eligible to participate in the program if they lived in a family which received cash welfare. Because conditions of welfare receipt are currently subject to change, receipt of cash welfare is not included as a distinct eligibility criterion in these benchmark projections.[1] The impact on the cost projections of welfare receipt (under 1980 regulations) as an additional eligibility standard will, however, be shown as a sensitivity analysis.

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[1] The BLS figures used in this analysis are approximations based on the average lower living standard for metropolitan and non-metropolitan areas in the United States, while the OMB poverty levels used are actual figures for farm and non-farm families.

The number of youths eligible to participate in a YIEPP program using the second targeting strategy of census-designated poverty areas is assumed to be 39.5 percent of the population eligible nationwide. This estimate is based on data from the March 1981 Current Population Survey.

Participation Rate. Based on the findings presented in Chapter III, the benchmark projections assume a 40 percent participation rate. The 50 percent participation rate observed in the demonstration over 18 months has been adjusted to obtain a one-year rate. The cost implications of varying the assumed participation rate are described in the sensitivity analyses.

Unit Cost. The cost per participant used in these projections is based on the $2,000 figure for fiscal year 1980 presented in Table VI-4. This assumes that a nationwide YIEPP program would provide the same number of work hours and work weeks per year that youths experienced in the last year of the demonstration. A further assumption has been made: that program operators would still be required to supplement YIEPP grant funds with local matching funds. Since matching accounted for 19 percent of total site expenditures in the demonstration, that commitment is also assumed in these projections, although the source of the match is not specified. The benchmark projections are nevertheless based on national program funds of $1,620 per participant, 81 percent of the $2,000 total cost per participant figure.[1]

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[1] In particular, the recent modifications in the AFDC program -- designed to reduce the number of working poor who receive welfare -- are likely also to reduce the size of the group with income above the poverty line who nevertheless receive public assistance.

Benchmark Estimates

This section considers the costs of two alternative strategies for targeting a national YIEPP program. A "benchmark" estimate is presented for each one, showing the authors' "best number" on each element in the projection, followed by a range of alternative estimates showing the sensitivity of each benchmark estimate to changes in assumptions.

Table VI-9 shows the estimated number of national participants and the projected annual costs for four targeting combinations, using the nationwide and poverty area eligibility strategies at both the OMB poverty level and the 70 percent BLS standard. Cost estimates range from $1.6 billion to $1.8 billion for a nationwide program, and from $600 million to $700 million for a program targeted on poverty areas. While these estimates are between 16 and 35 percent higher than equivalent national cost estimates published in the Second Implementation Report, the differences stem from improvements in the estimation procedures used in this final report.[2]

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[1] These projections are based on site operating costs and do not include MDRC research or oversight costs.

[2] Fifteen-year-olds, for example, were not included in the eligible population in the estimates produced in the Second Implementation Report. Additionally, cost projections in the Second Implementation Report were based on cost per enrollee rather than cost per participant. Participation rates reflect the number of eligible youths working in program jobs, so cost per participant is the appropriate measure to use in estimating program costs. Third, the Census poverty level was used to approximate the OMB povery level in the cost projections of the Second Implementation Report. The OMB poverty level is somewhat higher than the Census poverty level, and the use of the actual OMB poverty level increased the size of the eligible population by 7 percent, according to Inter-University Consortium estimates.

TABLE VI-9

BENCHMARK ESTIMATES OF THE COST OF RUNNING THE ENTITLEMENT PROGRAM ON A NATIONAL BASIS, IN FY 1980

	Income Eligibility Standard			
	OMB Poverty Level		70% BLS Lower Living Std.	
Entitlement Alternative	Annual Cost (millions)	Estimated # of Participants	Annual Cost (millions)	Estimated # of Participants
1. Expansion to all designated poverty areas	$ 624	382,493	$ 729	450,186
2. Expansion to all income-eligible youths	$1,581	975,932	$1,846	1,139,711

SOURCE: Tabulations of Status forms in the Youth Entitlement Demonstration Information System; Combined Operating Reports; and tabulations of data from Current Population Surveys for March 1980 and March 1981.

NOTES: Poverty areas as defined by the Bureau of the Census are tracts and minor civil divisions in which 20% or more of the population was below the poverty level in 1969.

Formulas used to calculate estimated annual costs for expansion of the Entitlement Program to all designated poverty levels are shown below:

Cost at OMB Poverty Level = $\$1,620 \times (E_{omb} \times 0.40) \times 0.395$

Cost at 70% BLS Standard = $\$1,620 \times (E_{bls} \times 0.40) \times 0.395$

Where:	$1,620	is the grant share of cost per participant per year;
	$E_{omb/bls}$	are the eligible populations at each income level;
	0.40	is the expected participation rate;
	0.395	identifies the proportion of the income-eligible population living in designated poverty areas.

Equations predicting the cost of expanding to all income-eligible youths nationally are identical to those shown above, except that the proportion-of-income-eligible-population-living-in-poverty-areas factor (0.395) is not included.

The estimated-number-of-participants nationwide is represented in parentheses in the two equations.

Sensitivity Tests

While the benchmark assumptions used to produce the cost estimates shown in Table VI-9 represent a best judgment at the time of this writing, a number of key benchmark assumptions, which have already changed with the passage of time, influence program costs. Sensitivity tests were conducted around three key variables: the size of the eligible population, the proportion of youths participating, and program costs per participant.

As noted earlier, the size of the eligible population depends on the family income standard used to determine eligibility and the number of youths living in these low-income families. However, the benchmark assumptions in Table VI-9 do not include individuals with incomes above the poverty standard also receiving cash welfare. The addition of this eligibility criterion, if 1980 conditions persisted, increases the number of youths eligible for the program by 24 percent over the number of estimated at the OMB poverty level, according to the Current Population Survey. It increases the eligible population by almost 15 percent using 70 percent of the BLS lower living standard. These are both sizeable changes.[1]

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[1] Interestingly, the numbers of people eligible to participate at the two income standards tend to converge when receipt of cash welfare is added as an alternative eligibility criterion. This is because most of the welfare-only recipients have incomes higher than the OMB standard, but below the 70 percent BLS standard. The relatively large number of youths living in families receiving cash welfare with incomes above the OMB standard and the few that fall above the 70 percent BLS standard reflects the fact that, in 1980, welfare recipients were entitled to certain earned income disregards, under the "30 and 1/3 plus work expenses" rule. They could, in other words, disregard the first 30 dollars earned per month, plus 1/3 of any additional earned income and certain work expenses, in the calculation of their public assistance

The first sensitivity test shown in Table VI-10 reveals the impact on program costs of the addition of welfare receipt, using the 1980 estimate of the number of eligible youths nationwide. To obtain the "sensitivity" results for the second (poverty area) targeting strategy, one simply multiplies by 0.395, the proportion of income-eligible population living in designated poverty areas.

Assumptions about the participation rate of program eligibles and the ability of programs to enforce eligibility criteria can also vary. While the benchmark estimates are based on a 40 percent participation rate, if the demographics and local environments in a nationwide program differed significantly from those observed in the four pilot sites, it is likely that national participation rates would also be affected. For example, one of the most important factors in explaining participation in the four pilot sites was ethnicity. After controlling for age, sex, and prior educational and employment status, 58 percent of eligible black youths and 48 percent of Hispanics -- but only 17 percent of white youths -- worked in program jobs during the first 18 months of the demonstration. Nationally, some 63 percent of all youths aged 16 through 21 living in families with incomes below the census poverty level are

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benefits. The effect of this policy, intended to encourage welfare recipients to work, was to continue welfare payments to families with total earned and unearned incomes substantially above the poverty level or the welfare standard of need. The 1981 modifications in the AFDC program -- limiting the 30 and 1/3 and work expenses provisions as well as capping income eligibility at 150 percent of the "standard of need" established by each state -- should reduce the number of families who both receive welfare and have incomes above the poverty level. However, the changes may also have a more general effect on the work behavior of AFDC recipients and thus the size of the poverty population.

TABLE VI-10

ESTIMATED ANNUAL COSTS OF A NATIONWIDE YIEPP PROGRAM ASSOCIATED WITH CHANGES IN KEY BENCHMARK ASSUMPTIONS, BY INCOME ELIGIBILITY STANDARD

Cost Assumptions	Estimated Annual Costs (millions)	
	OMB Poverty Level	70% BLS Lower Living Std.
Benchmark Assumptions[a]	$ 1,581	$ 1,846
Alternative Assumptions:		
1. Welfare Recipients Eligible to Participate	$ 1,961	$ 2,119
2. 30% Participation Rate	1,186	1,385
3. 50% Participation Rate	1,976	2,308
4. 60% Participation Rate	2,372	2,769
5. Eligible Population Estimated by CPS, Assuming No Income-Ineligibles	1,755	2,049
6. Population Estimated by CPS, Assuming 30% Income-Ineligible	1,265	1,477
7. Participation Limited to 52 Paid Weeks	1,195	1,396
8. 40-Hour Full-Time and 20-Hour Part-Time Work Weeks Offered	1,700	1,986
9. Less Than 40-Hour and/or 20-Hour Work Weeks Offered	1,486	1,736
10. No Local Matching Funds Provided	1,952	2,279
11. Matching Funds Cover 50% of Program Costs	976	1,140
12. Elimination of Worksite Supervision Cost	1,528	1,784
13. Elimination of Worksite Supervision and Training Costs	1,482	1,731
14. Increase in the Minimum Wage to Current Levels ($3.35 per hour)	1,742	2,035

SOURCE: Refer to Table VI-9.

NOTES: All projections in this table are for the cost of running the YIEPP program for all income-eligible youths nationwide in FY 1980, according to Current Population Survey estimates.

The formulas used to calculate these costs are based on the same formulas show in Table VI-9. The costs of changing key assumptions were derived by altering one or more factors in the formulas.

[a] The benchmark assumptions include a 40% participation rate.

[b] Based on participant costs in Albuquerque, Baltimore, Cincinnati, Detroit, Monterey, New York, Philadelphia and Syracuse, which offered an average of 33 hours of work per week during full-time periods and 17 hours per week during part-time periods.

white.[1] The modification is that this factor could pull national participation rates downward.

It is impossible, unfortunately, to determine from the research if this would, in fact, happen. Blacks and Hispanics made up from 83 to 94 percent of the eligible population surveyed in the four pilot sites. As a result, little is really known about white participation rates in areas where white youths are more than a small minority of the eligible population. As noted in Chapter III, their participation may have been unusually low in the pilot sites because many white youths were reluctant to enter a program apparently directed to minority youths. White youths might participate at higher rates in a nationwide program where they would form a larger fraction of the eligible population.

To examine the impact of different participation rates on the costs of a nationwide program, costs were estimated assuming participation rates of 30, 50 and 60 percent. A 30 percent annual participation rate probably represents a low bound for national projections since, in the four pilot sites, participation never fell below 30 percent in any program semester through the first 18 months. The 60 percent participation rate represents a reasonable maximum. Each change of 10 percent increases program costs by $395 million at the OMB poverty level and by $462 million at the BLS income standard.

It should be noted again that since benchmark estimates of national program costs are based on CPS estimates of the size of the population eligible to participate nationally, some under-reporting of income in the CPS could influence these estimates. Because the impact of this under-reporting on the size of the eligible population is not known, however, the benchmark estimates of the eligible population have been left unadjusted. It has been suggested, as well, that one could reasonably assume that the level of under-reporting to the CPS would approximate the amount of ineligibility to occur in a national program, say in the range of from 5 to 10 percent.

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[1] These figures were published by the United States Bureau of the Census in Money Income and Poverty Status of Families and Persons in the United States: 1980, (Series P-60, No. 127, August 1981) and are based on the March 1981 Current Population Survey.

Two other possibilities exist, however. One is that under-reporting to the CPS among poverty families is negligible and that, therefore, the benchmark cost estimate does not take into account the inevitable participation of additional ineligibles, through screening errors, in a national program. Assuming that documented proof of family income was required at enrollment, and no further tightening of eligibility monitoring occurred, cost estimates would have to be increased by 11 percent, which is the combined ineligibility rate for income reasons found by the quality control study in Cincinnati and Baltimore, the two sites in the study requiring income documentation. At the other extreme, under-reporting in the CPS could approximate the level of "under-reporting" in Mississippi, where income ineligibility among participants reached a little over 30 percent. Under the same assumption that documented proof of income would be required in a national program, "benchmark" costs would then have to be adjusted downward to account for the screening out of ineligibles through income verification procedures. Following our example, the adjustment would be the difference between the income ineligibility rate found in Mississippi and the combined average of the other two sites, or about 20 percent.[1]

Table VI-10 shows the effect of an 11 percent increase and 20 percent reduction in benchmark costs associated with these two possibilities. While additional reductions in program costs might be possible with even tighter income verification, some of these savigns would, of course, be offset by increases in management costs associated with more intensive screening. It should also be reiterated that costs in a national program would be highly sensitive to the effectiveness of the eligibility screening procedures.

The final group of sensitivity tests involves changes in benchmark assumptions brought about by program procedures such as the maximum length of program participation allowed in future programs, restrictions on the number of hours worked per week, and changes in matching fund requirements. The most drastic change discussed here is the placing of limits on the maximum length of participation. Time limits on program participation were proposed in some versions of youth employment bills considered by Congress in 1980, and this analysis presents the cost implications of placing a one-year (or 52-week) limit on YIEPP participation.

To estimate the limit's effect on program costs, data on the number of weeks worked by members of a sample of YIEPP participants were recoded.[1] All youths in that sample who worked for more than 52 weeks were artificially limited to a maximum one year of participation, with hypothetical termination dates calculated for them. The results indicate that 4 percent fewer youths would have participated in the last year of the demonstration, had the limit been in effect, and that the termination of youths remaining in the program would have reduced aggregate work hours in that last year by 21 percent. The impact of these changes on national YIEPP costs is substantial, as shown in Table VI-10; the imposition of a 52-week limit cut costs by 24 percent. While such participation limits might yield substantial savings, however, the effect of such limits on the program's impacts is unclear.

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[1] These rates of ineligibility are based on youths proven ineligible for reasons of income at the three sites in the quality control study sample. Other reasons for ineligibility were found to be almost negligible. Note, too, that greater attention to eligibility screening could, in a national program, reduce ineligibility to rates below those found in Baltimore and Cincinnati.

As noted in Table VI-6, nine demonstration sites offered participants the opportunity to work 40 per hours a week during the summer period and 20 hours weekly during the school year, the maximum allowed in the legislation establishing YIEPP. The remaining sites offered less than these allowable hours. While the nationwide benchmark estimates assume a mixture of weekly work hours similar to the demonstration work experience, this assumption can be changed to show the average program costs for sites which offered the maximum level of work, and those which offered less. Sites offering the legal maximum spent 7.6 percent more per participant than the benchmark cost, and sites with less than that, spent 6 percent less.[2] The cost of nationwide programs offering these two program variations is shown in Table VI-10.

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[1] This sample of YIEPP participants was used to conduct the length of stay analysis in Chapter III.

[2] The average site providing less than the maximum work hours offered 17 hours of work weekly during the school year and 33 hours per week during the summer. Variations in the number of part-time and full-time work weeks offered per year are obviously another potential source of cost variation. Since site differences in length of program operations per year are not well documented, such tests will not be attempted here.

YIEPP costs were also influenced by local matching fund requirements. Table VI-10 shows the impact of two alternatives to the 19 percent matching formula embodied in the benchmark estimates. For example, if program operators raised no matching funds, the total national cost of YIEPP would come to $2 billion at the OMB poverty level and $2.3 billion at the BLS income standard.

Some versions of the 1980 youth employment legislation proposed that YIEPP activities be continued with a 50 percent match requirement. Most of the matching funds presumably would come from other federal sources, with perhaps a small proportion raised by an effective wage subsidy reduction plan for private sector worksites, as mentioned earlier. National program costs with a 50 percent local match requirement, as shown in Table VI-10, are estimated at about 38 percent below the benchmark costs (which include the 19 percent match).

Program costs could also be lowered by cutting non-compensation expenses. Table VI-10 shows the costs of nationwide YIEPP with no provision for worksite supervision or training. Since these expenditures were negotiated in the demonstration with each site, it is quite possible to operate YIEPP without them. Only costs for limited alternative education and participant orientation, previously allocated to the training category, might remain.

Finally, costs obviously depend on the level of the minimum wage and overall cost increases. The average minimum wage during the last demonstration year -- $3.03 per hour ($2.90 per hour for four months and $3.10 for eight months) -- is over 10 percent less than the current federal minimum wage, $3.35 per hour. The final sensitivity test included in Table VI-10 assumes a 10 percent increase in all program costs. (Of course, if the level of the minimum wage decreased, for example, as a result of a subminimum wage for younger workers, the cost per participant would drop accordingly.)

In summary, the estimated costs of a nationwide program under these different assumptions range from about $1 billion to $2.4 billion at the OMB poverty standard, and from $1.1 billion to $2.8 billion at the 70 percent BLS standard. The costs of the variations described here can deviate by as much as 50 percent from the benchmark estimates. Some variation may also occur because of the sample data from the Current Population Survey, which was used in estimates for the size of the eligible population. At the OMB poverty level, the estimated population could be 11 percent higher or lower than the true size of that population solely because of the sampling variability.

Despite this range of estimates, however, the cost figure that still appears most reasonable for running a national program in 1980 is the benchmark cost estimate of from $1.6 to $1.8 billion, if receipt of cash welfare is disregarded in program eligibility standards. A national program using YIEPP's standards of low income plus receipt of cash welfare would, on the other hand, raise these costs to $2 to $2.1 billion in 1980.

A national program operating today, however, would probably pay the current minimum wage and experience other cost increases. Such a program would cost from $1.7 to $2 billion, again if cash welfare were disregarded. While the program would certainly cost more if receipt of welfare were added to the eligibility standards, the amount by which it would increase is unclear, given the changes in the welfare regulations since 1980. However, these requirements would probably limit participation more in 1982 than they did in 1980. Additionally, it is clear that there are several ways in which the program costs can be reduced, and some of them undoubtedly would be used if a nationwide YIEPP program were adopted. Thus, it appears likely that a nationwide YIEPP program could be mounted today for under $2 billion per year.

CHAPTER VII

LESSONS FROM THE YIEPP EXPERIENCE

Chapter I noted that the Youth Incentive Entitlement Pilot Projects demonstration was important for several reasons. First, it tested the feasibility and impact of combining school and work in a program for disadvantaged youths, making school enrollment, performance, and attendance a condition for employment. Moreover, it did so within the framework of a guaranteed jobs program, the nation's first. The demonstration also examined, for the first time, the feasibility of involving the private sector in a CETA youth employment program, even though in YIEPP wages were subsidized up to 100 percent. Finally, the demonstration gave planners a chance to see if and how prime sponsors and schools would cooperate in joint programming, a matter of increasing interest to those concerned about the preparation of disadvantaged youths for the future labor market.

In addition to these broad policy issues, Congress, in authorizing the program, had asked that a series of specific questions be addressed in the demonstration. These included issues of participation, job creation, costs, and other matters of critical importance.

This final chapter summarizes the lessons that have emerged from program implementation, combining them, when appropriate, with the in-program impact findings on the schooling and employment behavior of eligible youths. The reader is again reminded that a concluding impact report, scheduled for late 1983, will address post-program impacts on these and other outcomes. These later findings will add to this body of knowledge on the feasibility of the YIEPP program and the results of its implementation.

Lessons About the Feasibility of a School-Conditioned Job Entitlement for Youths

Chapters I and II discussed the fact that the implementation of the YIEPP program model posed two sets of challenges to prime sponsors, the first set centering on delivery of the entitlement. Prime sponsors had to develop sufficient jobs to employ all interested eligible youths, and to ensure that there was educational capacity to serve participants, especially returning drop-outs. There also was the expectation in the Youth Act, and in the site selection criteria and the guidelines, that prime sponsors would advertise the program widely, letting the eligible population know of its availability.

The second set of tasks involved procedures for the monitoring of program eligibility and performance standards. These involved extensive checks of eligibility at entry, periodic reverification of residence and income, ongoing monitoring of age and school enrollment, and frequent monitoring of participant performance and attendance, both at the job and in the school.

This report has examined the extent to which prime sponsors and the educators were able to meet these dual challenges. Certainly, the demonstration proved that large-scale job development, both for part- and full-time jobs, was feasible on a year-round basis. Equally important, it showed that large-scale job development could occur without substantial compromise to quality.

Outreach was another critical task. The sites were able to inform a high proportion of the eligible youths about the program, but since the drop-out population was a harder one to target, more in-school youths than drop-outs heard of the opportunity. By the fall of 1980, some 91 percent of all the eligible youths at the inception of the demonstration had been informed of its existence, 94 percent of all the in-school students and 75 percent of youths who had dropped out in the semester prior to the demonstration. It was also true that for a number of youths the message was not clear; some youths reported being interested but not knowing how to apply. A sustained and formal outreach effort, with less reliance on publicity by word-of-mouth, would probably have increased the accuracy of the information.

The strong interest in participation belied the notion that disadvantaged youths are not attracted to a minimum wage, entry-level job. Some 82 percent of those who heard of YIEPP applied for it, and cumulatively, participation levels reached 57 percent by the demonstration's end. Participation could have been somewhat higher if sites had not experienced initial difficulties in processing the applications and matching youths to jobs.

A timely job match was primarily a problem for the larger sites in YIEPP's first year. The issue was less one of long-term feasibility than of the sites' inadequate preparation and too rapid program start-up. Lags between enrollment and assignment, however, became much shorter after the first months of program operation. Job matches were most feasibly carried out, particularly in the large Tier I sites, by satisfying the geographical requirements of the match; that is, ensuring that the job assignments were reasonably close to home and school. Youths' interests were also given consideration, but in the early stages of the demonstration, close matching only tended to slow assignment down, perhaps discouraging some youths from staying in the program.

On the school side of the ledger, because returning drop-outs were usually unwilling to return to the traditional high school programs they had left, alternative educational services had to be created or expanded at several sites by project resources. With this exception, existing school capacity was sufficient at the sites to serve participants. Certainly, though, future programs serving drop-out populations will have to be prepared to spend resources for alternative programs in areas where they are in short supply.

On the second set of challenges -- monitoring the eligibility criteria -- an MDRC-sponsored quality control study showed that the sites did fairly well on enforcing initial eligibility checks on age and income, residence and school enrollment. When youths were found to be ineligible, it was usually because their incomes were too high. Eligibility verification procedures were examined for three study sites. The two requesting pay stubs or W-2 forms had far lower ineligibility rates than the one site that requested only parents' income declarations. As is often true for income-conditioned benefit programs, requiring an independent proof of income at enrollment can reduce ineligibility error rates.

The guidelines specify that youths' income and residences were to be rechecked six to twelve months after enrollment and annually thereafter. This system, proved to be, although feasible, not worth the trouble, since eligibility hardly changed for those remaining in the program.

These results, along with those regarding initial ineligibility, suggest that a better use of future resources would be an ongoing quality control effort based on a periodic sampling of new enrollees.

The most problematic part of project implementation was the establishment and enforcement of the school performance standards. Congress had apparently assumed that schools had set clear standards for attendance and performance. Prime sponsors found this not to be the case when they asked schools about them in the demonstration's planning stage. In the absence of such standards, prime sponsors and schools had to negotiate to develop them, a process which in some sites was drawn out. Thereafter, monthly school reports proved difficult to get because the schedules were not synchronized with the school system's marking periods. Moreover, in alternative education and GED programs, which had less structure, the youths advanced at their own pace. In such a setting, objective performance standards seem to make little sense, and even monitoring attendance was a complicated process.

Finally, prime sponsors had serious problems with enforcement of the standards, primarily because the paperwork and systems slowed the process down. Many staff also disliked terminating violators who would be faced with few productive options outside the program. For most youths in the demonstration, these difficulties meant that violation was a game of chance: many would be caught, but many would not.

Despite these problems, there was progress in making the school standards "real" in the demonstration. Some sites never focused very much on standards. There were others, however, that gave the issue increasing attention over the course of the demonstration. They found that it was possible to overcome logistical difficulties in the monitoring and enforcement process, so long as they had adequate lead time to plan procedures and adequate staff resources for carrying them out.

Was an Entitlement Offered?

One of the central issues raised in the assessment of any social demonstration is whether the essential features of the program model were actually implemented in the field. In light of the discussion of the intake funnel in Chapter III, it is legitimate to ask if the YIEPP job entitlement, guaranteeing work for all the interested eligibles, was in fact provided in this demonstration.

Data for the pilot sites showed that a wide variety of factors could influence participation rates, which ranged from 40 to 69 percent of all the eligibles in the four pilot sites. Indeed, a fair amount of management discretion was allowed prime sponsors in the guidelines for implementing YIEPP. A site like Baltimore could advertise the program widely, and use innovative outreach strategies as part of a concerted effort to give priority to high participation rates. In contrast, Cincinnati, while advertising the program's presence, legitimately could give it less priority than other matters on its city agenda. Many factors -- the degree of outreach, the balance of recruitment efforts between the youths both in and out of school, the clarity of the outreach message, the rigor of the eligibility check, and the scope and speed of job match -- all could vary from site to site. As in all other entitlement programs, a range of management options could affect participation levels.

Clearly, too, the data show that not all youths applying or enrolled got jobs. To this extent the guarantee was flawed. On the other hand, some gaps in services are always bound to happen. In YIEPP, they were exacerbated by the rapid program start-up and the large numbers of enrolling youths. Despite this, YIEPP attained high outreach levels and participation rates, providing work to some 76,000 youths (93 percent of those enrolled).

In light of all these factors, it is fair to say that the four sites for which the data are available did satisfactorily carry out the offer of providing a guaranteed and school-conditioned job for eligible youths. Less complete data from the other 13 sites suggest they too substantially delivered on the job guarantee.

Lessons About the Effects of Different Site Circumstances

In authorizing YIEPP, Congress indicated an interest in learning about "the efficacy of a youth job entitlement in a variety of differing locations and circumstances."[1] Site differences, in addition to the ones discussed above, affected both participation and the performance of prime sponsors in operating the local projects.

Perhaps the clearest lesson from the demonstration is one that makes intuitive good sense: participation rates were sensitive to the labor market. The labor market also influenced which youths among the eligibles would find the program's entry-level jobs attractive, and thus, in turn, the characteristics of those who joined. Black youths were far more likely to become participants than white youths, probably because the latter group had easier access to unsubsidized jobs.

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[1] U.S. Congress, Comprehensive Employment and Training Act Amendments of 1978, Title IV, Subpart I, Sec. 416. (PL 95- 524).

In addition, the labor market acted on the job development side. Generally, sites were successful in finding enough jobs for participants. The most notable exception was Mississippi, where, as noted earlier, the capacity to develop a sufficient number of jobs was limited by the generally poor rural labor market.

Other problems in a largely rural area are the lack of public transportation and the absence of alternative educational programs for returning drop-outs. Both kinds of services had to be created in the Mississippi target area. The overall experience in that site suggests that, while a YIEPP-type program can be implemented in large rural areas, service needs and job development efforts warrant close attention.

The Tier I-Tier II scale division reveals that program size can also influence site performance. The smaller Tier II sites could generally handle paperwork more easily and coordinate procedures better than their larger Tier I counterparts. Moreover, they were more effective in the tracking and the monitoring of school performance and attendance, and with the opportunity to be selective in the job development process, they provided slightly higher quality in the work positions. Certain sites, however, which operated smaller programs within a large bureaucracy lacked attention and were essentially dwarfed by the prime sponsor's scale.

The overall demonstration experience does show, however, that YIEPP is feasible in larger- as well as smaller-scale operations. The primary lesson in the tier comparison is that the larger scale requires greater preparation, given difficulties of correcting problems once enrollment starts. Larger scale, in general, generates a longer learning curve when new activities are to be mastered.

As Chapter II suggested, other more elusive variables, not subject to manipulation at the national level, could have an impact on the quality of implementation, although the precise effects of such variables are difficult to measure. Prior staff experience, historical relationships among operating agencies -- particularly between prime sponsors and subcontractors at the larger sites -- and the degree to which YIEPP was divided functionally among other agencies could strongly influence site performance. Another important factor was the priority assigned the project, both by staff and at the city's executive level. In sites like Baltimore and Detroit, the program worked because the mayor wanted it to work; problems were dealt with expeditiously. In other cities, problems lingered because the project's importance was not paramount.

Lessons About the Private Sector

On a number of points, the YIEPP experience ran counter to conventional wisdom on the potential for private sector involvement in a CETA work program for disadvantaged youths. Despite the initial trepidation of some prime sponsors about approaching the private sector, the program proved that businesses in large numbers were willing to provide jobs. Their participation steadily increased, and, by the demonstration's end, the private sector had accounted for over half of all YIEPP worksites. This result, considered in conjunction with reports that public worksites were becoming saturated, suggests that the inclusion of the private sector may have been critical in providing a sufficient numbers of jobs for youths.

Several features of the program model heightened the willingness of private firms to sponsor youths, particularly the full wage subsidy initially offered in every site but Mississippi. Participation was, in fact, quite sensitive to the subsidy level as measured in a two-site wage subsidy variation experiment: 18 percent of private firms approached agreed to sponsor program youths at the 100 percent wage subsidy level; participation dropped to 10 percent at 75 percent, and lower still to 5 percent at a 50 percent wage subsidy. However, Mississippi's ability to recruit its private sector firms at a 75 percent subsidy -- and, later in the demonstration, the willingness of some businesses to assume half of the wage costs after a trial period -- suggest that partial subsidies can be feasible, although a greater job development effort may be required.

Over three-quarters of a random sample of private sector employers indicated a high level of satisfaction with the youths assigned to them, and, in addition, 19 percent hired youths on their own payrolls when the subsidized work was over. There are also data to suggest that, while some businesses were at first reluctant to employ these youths, their concerns were generally dispelled once they had had experience with them. This further suggests that the inducements offered by a program are important to forestall initial resistance in the private sector, but that incentives (primarily the subsidy) can probably be reduced in later periods.

Another inducement to private sector participation was the central payroll managed by the project. This reversal of traditional practice -- whereby prime sponsors subsidize employers who carry trainees on their payroll -- was a relatively simple mechanism which saved employers paperwork. It also made it easier for youths to be transferred from worksites when employers were not satisfied with them.

Another piece of conventional wisdom not supported by the YIEPP experience is that the quality of work is better in the private sector than in the public or nonprofit sectors. Simply put, no differences were found among these sectors in a study of the quality in the demonstration worksites. However, it may be true that private sector work experience can increase long-run employment prospects, if the labor market favors those with that particular work experience.

Finally, manpower initiatives have been known to focus on recruitment of large private sector firms, often national or international, instead of local businesses. However, the great majority of private sector firms in YIEPP were small, leading to the conclusion that small businesses can be a very important source of jobs in youth employment programming. Their neighborhood locations and their predominance in the retail and the service industries enable them to offer jobs which are appropriate for youths.

However, the 18 percent take-up rate by employers who were offered a full wage subsidy suggests another lesson as well: that reliance on private businesses to "solve" the problems of inadequate demand for the labor of disadvantaged teenagers -- even by reducing businesses' wage costs through a subsidy or a reduced minimum wage -- would be misplaced. Put another way, while private businesses in YIEPP accounted for over half of all work sponsors, they typically hired only one or two youths at a time. Subsequently, a much smaller share of the youths' job hours -- about one-fifth of the total -- was spent in the private sector As necessary as they were for the job guarantee, private businesses alone could hardly have provided sufficient jobs.

Lessons About Prime Sponsor-School Cooperation

YIEPP was an opportunity for schools and prime sponsors to collaborate in ways other than the school enforcement standards, and they did. Schools proved to be highly cooperative in the recruitment process, especially for in-school youths, and they also served as a prime source of worksites. They were generally willing to provide academic credit for the YIEPP work experience, although its academic value, in the end, was questionable; schools rarely assessed the value of the work experience, but rather negotiated "credit coverage of jobs" with prime sponsors. Given the academic deficiencies of many participating youths, such substitution of credit for regular course work may have been a drawback in their educational programs.

Additionally, schools were generally cooperative on the flexible scheduling of classes to allow participants to work their maximum hours during the school week. Schedules were, however, established on an individual basis. Efforts to provide large-scale uniform scheduling ran into timing problems, since school class schedules and assignments were usually settled in the previous academic year. Furthermore, with diminished resources and reductions in the numbers of classes during this period, schools found flexible scheduling that much more difficult. It is likely that in future school-conditioned programs, scheduling will have to be arranged in the same ad-hoc, individualized manner.

It was rare that YIEPP fostered joint programs incorporating school curricular changes tied to program work experiences. The YIEPP research confirmed the observations of others in the field that the school systems will not, and in most cases cannot, modify educational strategies quickly, nor do they want to, at least for short-term programs and without the resources they perceive as necessary for such modification.

As program managers, schools appeared to operate YIEPP projects as ably as prime sponsors. However, successful management by the schools occurred primarily in the Tier II sites with smaller programs. On the Tier I level the experience was mixed, with the Cincinnati and Detroit schools having difficulties as program managers. In Seattle, the program operated smoothly, although low enrollment levels helped.

Finally, as noted previously, a number of schools throughout the demonstration did make efforts -- and often more as time went by -- to cooperate on procedures for enforcement of the standards. Interviews conducted during the last year of the demonstration indicated that school officials were impressed with the prime sponsors' growing attention to the school performance and attendance requirements as a condition for participation. Many officials looked on YIEPP more favorably than other youth employment programs, which they perceived as "giveaways," requiring no quid pro quo from the participating youths.

Lessons About Costs

Total demonstration costs amounted to $240.2 million over a 30-month span, with $224.3 million spent on site operations. Sixty-three percent of that went to participant wages. This high proportion reflects the program emphasis on employment as the major program activity.

While special demonstration funds provided for the bulk of spending, most local prime sponsors provided matching funds from other CETA programs, such as YETP, the Summer Youth Employment Program, and the Public Service Employment program. On average, these funds covered 19 percent of total operating costs. Given federal funding cutbacks, if match requirements are to be part of any future programs, the ability of prime sponsors to provide such funds and the impact of a match requirement on other local manpower programs would have to be considered.

On a unit cost basis, YIEPP compared favorably to other youth employment programs. The estimated cost per service year -- the cost of keeping one participant in the program for one year -- came to $4,382. Since participants could move in and out of the program during the period of their eligibility, with some staying for less than a year, the absolute annual cost per participant was $2,000. Comparable costs for YETP, which provides formula funding to prime sponsors for locally designed youth employment and training programs, were $1,570 per participant and $4,167 per service year. No economies of scale were found in YIEPP to suggest that larger programs have lower unit costs than smaller ones.

Based on expenditures during the demonstration, and a number of assumptions and judgments on the most likely future implementation conditions, it was estimated that the annual cost of operating YIEPP in all designated poverty areas as a national program would come to $624 million in 1980 dollars, assuming that eligibility was restricted to youths with family incomes at or below the Office of Management and Budget (OMB) poverty level. The annual cost would be $729 million if that income eligibility standard were set at 70 percent of the Lower Living Standard (LLS). If YIEPP were to serve all income-eligible youths with no regard to residence, it would cost $1.58 and $1.85 billion at the OMB and 70 percent LLS standards, respectively. As shown in sensitivity tests presented in Chapter VI, these numbers differ by as much as 50 percent under varying assumptions on eligibility, participation rates, the effects of tighter income verification procedures, and other implementation alternatives.

Program Design and Impact

As noted before, the impact results on the work and schooling behavior of participants during the full period of program operations have been positive. High participation rates were accompanied by improved employment rates for disadvantaged youths with no reduction in school enrollment levels, which even went up during the 30-month demonstration span.

In this final report on implementation, however, a critical issue worth addressing is the relationship of the two novel features of the program model -- the job entitlement and the school condition -- to the broad issues surrounding youth employment.

It would certainly be possible for policymakers to run a program similar to YIEPP, incorporating many of the program features, without operating it as an entitlement. The school condition, geographic targeting, and private sector job development could all be structured in a fixed-slot program. Indeed, this type of program would have some administrative advantages over an entitlement model, not the least of which would be the greater certainty of budgeting and planning.[1] Moreover, a slot program, serving only certain numbers of the eligibles in a target area, is clearly less expensive than an entitlement obligated to serve all individuals interested in working.

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[1] YIEPP, in fact, was successfully converted into a slot program in a "transitional" year immediately following the demonstration, keeping its other features intact.

An entitlement program, however, fulfills two additional functions. First, it is an immediate means for dealing with the short-term employment problems of virtually all disadvantaged youths interested in working at minimum wage, entry-level jobs. As shown by the program participation rates, youths' interest in such jobs is quite high, even when program participation requires school enrollment and the jobs provided are only part-time during the school year (though the interest is a great deal higher for youths in school than out of school). In essence, an entitlement program comes close to creating a situation of full employment for its target population by virtaully eliminating demand side barriers to employment, includeing age and race discrimination. As shown by its during-program impacts, YIEPP was able to raise the employment rates of minority youths to a level comparable to that of white youths, practically eliminating a gap that has grown wider over the last 30 years.

The second, and related effect, is that an entitlement program is an incentive for program operators to serve the employment needs of youths who might otherwise be overlooked or ignored. For example, because of national and local expectations that YIEPP would serve all interested eligibles — and with the funding tied to the enrollment levels -- prime sponsors had to reach into the queue of eligibles, from the most employable to the least. Any screening for reasons other than eligibility criteria was virtually eliminated. Slot programs, in contrast, serve a limited number of eligible youths, and the temptation to "cream" is far greater.[1]

Thus, an important trade-off between a smaller fixed-slot and an entitlement program is the trade-off between cost and ease of administration and the opportunity to have a real effect on the demand side of the youth employment problem, especially for minority youths, who are the ones most seriously hurt by absence of employment opportunities in the labor market. Yet YIEPP tried to do more than affect demand. It was hoped that the program could also work to overcome the "supply side" deficits of disadvantaged teenagers by increasing their consumption of school or educational programs and ultimately making them more employable.

Clearly, education and the acquisition of educational skills were problems among the eligible population. Data from the impact study show that over half the sample of the eligibles were below expected grade levels at the beginning of the demonstration. This finding is especially troubling in light of reports from other studies that the lack of basic literacy, along with poor work habits and attitudes, are the primary reasons employers are reluctant to hire disadvantaged youths.[2] Indeed, there is a growing acknowledgement that job success relates to basic writing, communication, and computational skills. Consequently, there is more current interest in competency-based education and the use of benchmarks to measure and to certify youths' progress toward the achievement of a minimal level of educational and "life-coping" skills.[1]

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[1] The absence of "placements" as a program goal, which has traditionally motivated CETA prime sponsors, also helped to eliminate "creaming" of the most employable from the eligible pool.

[2] Congressional Budget Office, Improving Youth Employment Prospects: Issues and Options, February 1982, p. 22.

The YIEPP strategy of conditioning the job offer on continuation and return to school may be a very useful way to deal with educational deficits in the target population.[2] But the demonstration experience also suggests this strategy could be strengthened. The proportion of the drop-outs who returned to school but terminated from the program by dropping out again was 40 percent. Surely some of them, perhaps most, reached this decision for reasons having little to do with YIEPP itself. Some of those who left, however, might have stayed if more had been provided in the way of educational or support services. This is suggested by the research findings from an analysis of various enrichment services that were offered in some sites including compensatory educational programs. While the analysis was not conclusive because of data limitations, it did suggest that the amount of resources devoted to certain special services correlated with a longer program participation time for drop-outs and a reduction in their negative termination rate.[3]

The program may have been too lean a model, therefore, for some youths, particularly for drop-outs and youths behind in grade level. One modification that might help would be to use performance and attendance standards to trigger remedial assistance, a strategy applied in some Tier

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[1] Ibid., p. 48, and also Robert Taggart, A Fisherman's Guide: An Assessment of Training and Remediation Strategies, Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research. 1981, particularly pp. 285 - 294.

[2] This has also been suggested by the Congressional Budget Office study, p. xiv.

[3] Ivry et al., Chapter 3.

II sites. First offenders would take part in this activity during a probationary period, with termination held out as a sanction for not attending classes. This strategy might also help to make staff less reluctant to terminate the youths in violation of the standards.

More important, these performance standards could have some feedback and catalytic effects on educational strategies and the use of educational resources for disadvantaged youths. School officials, however, would need not only to accept the idea of standards but also to take the responsibility of acting when the youths did not meet them.

At the same time, it must be recognized that the YIEPP strategy cannot solve the employability problems of those who have the most severe educational handicaps. It makes little sense to place teenagers who are reading at grade-school levels in high schools or GED-track programs. Nor, in a larger sense, can YIEPP be expected to solve the societal dilemma of making the educational system work for all disadvantaged youths. At this point, it can be said only that it holds the promise of improving the educational and employment prospects for some of them.

* * *

Examining each of the task clusters separately in the program model's implementation, as this report has done, obscures one critically important point: that these tasks were interdependent and that the program model, combining them as it did, required a fairly high degree of central coordination and management to work smoothly. For an individual participant applying for enrollment, his or her application set into motion the entire sequence of tasks, and these tasks were performed usually by different offices, units or agencies. For the program manager, this meant that these tasks were to be managed concurrently, ensuring a smooth and uninterrupted sequence for each of several hundred (or thousand) participants.

In large measure, operationalizing YIEPP necessitated the creation of extensive systems for participant tracking: systems for intake, eligibility review, enrollment, and job development; systems for collecting time cards and issuing paychecks in a central payroll; and systems for monitoring and enforcing the eligibility and performance requirements in an ongoing way.

Each system involved synchronizing activities among intake workers, job developers, worksites, schools, and other program agents. Where prime sponsors had not previously played a strong management role in the local manpower services system and where local services deliverers had not previously had to share program responsibilities, getting these systems to work often took a long time, as chronicled in the site profiles in Appendix A. Further, the quick start-up found many Tier I sites, and some Tier II ones unprepared for the large numbers of youths that they had encouraged to apply through aggressive outreach efforts.

In short, the demonstration experience suggests some caution. First, there was a long learning curve in the demonstration, necessarily longer at the Tier I sites. Stability was generally not achieved until after the first year of program operations. Second, the creation of similar programs in the future should be undertaken with the understanding that so many systems, divided among multiple program offices and agents, will require care in design and strong management in the center.

But if the experience suggests caution, it also inspires optimism.

YIEPP showed that it was feasible to mount and operate a large-scale jobs program for a wide variety of low-income youths, who had to agree to continue their own education to take part in the program. In all, while the systems to operate the program required careful management, 76,000 youths participated, received meaningful jobs, and continued their education. It was in the end possible to harness and coordinate these many systems in an effort to improve both the employment prospects and employability of disadvantaged youths.

APPENDIX A

APPENDIX A

SITE PROFILES

TIER I

Baltimore, Maryland

The Baltimore YIEPP project was the largest in the demonstration. Its original target area covered a significant portion of the central and western part of the city and contained over 60 percent of the city's disadvantaged youths. An expansion in the fall of 1979 to other census tracts in the southeast and southwestern parts of Baltimore, and to a section east of the original target area, failed to draw in higher proportions of white youths, as had been hoped; expansion did, however, lead to the enrollment of a sizeable group of newly eligible black youths.

After the program managers overcame a number of start-up problems brought about by an overly ambitious participant build-up plan, Baltimore was one of the most effectively managed of the sites. The Mayor's Office of Manpower Resources (MOMR), the prime sponsor in the area, developed a highly structured YIEPP administration within its own Youth Services Division. The management structure included an on-site YIEPP director, trouble-shooting units to handle complaints, and an elaborate and decentralized YIEPP organization, with three divisions and specialized units for intake, job development, and information systems. A series of subcontractors had responsibility for alternative education, specialized worksites, and later, the Enrichment activities. The efficiency with which prime sponsor staff ran YIEPP was enhanced by the support of the city's mayor, who was strongly committed to the program's success, and by the large pool of youths who were eager to participate.

Baltimore paid particular attention to the educational needs of out-of-school youths, especially the functionally illiterate, who comprised a large part of the YIEPP drop-out enrollments. Initial subcontracts were developed with two community-based organizations for literacy training, and an agreement was reached with the Baltimore City Public Schools to provide alternative education and GED services. Additionally, a subcontract with the Community College of Baltimore provided GED slots with links to college programs. Midway through the demonstration, MOMR also started its own literacy program for YIEPP enrollees.

For in-school youths, Baltimore was far less innovative, focusing in a straightforward manner on the monitoring and enforcement of school standards. This effort, however, had mixed success. During the second program year, in an effort to secure more accurate and timely attendance and performance data, the prime sponsor placed educational liaisons in the major high schools. Liaisons also counseled youths who did not comply with the standards and offered school-based services, such as job readiness workshops. The efforts of the liaisons improved attendance and performance monitoring and helped to increase YIEPP's standing with the schools.

Baltimore YIEPP also emphasized linkages with the private sector, although the site was rather cautious in its approach. Cumulatively, 14 percent of all youth job hours at this site were spent in private sector work slots -- an average private sector participation rate for the demonstration. MOMR's job development unit maintained updated information on available private employer job slots, and a separate operational division conducted program functions for the youths placed on such worksites. The site did not, however, demonstrate the same degree of commitment to reducing private sector wage subsidies. Fearing that their efforts to establish relationships with the private sector would be jeopardized if they were too energetic in trying to lower the subsidy rate, MOMR developed a plan which yielded lower subsidies for only a few exemplary youths.

Baltimore designed and implemented a number of Enrichment activities, including day-care services for out-of-school youths (subsequently expanded to all youths); job restructuring activities for some new worksites; an assessment/orientation procedure for all new out-of-school enrollees; a special project for handicapped in-school youths; and transitional services for YIEPP program completers. These new activities had varied results. For example, while the day-care services were not in much demand, assessment/orientation activities were well received by drop-out youths.

Overall, YIEPP was a highly visible project in the city. Mayoral support ensured a high level of cooperation among the city agencies and public schools. Staff handled large numbers of enrollments, numerous transfers and terminations with few delays. Baltimore ended with a cumulative enrollment of 17,775 youths; 96.3 percent were assigned to jobs. Cumulative expenditures for the demonstration totaled $52.4 million, of which 78 percent were demonstration funds.

Boston, Massachusetts

The Boston YIEPP project was targeted to four of the city's nine school districts and managed by the city's prime sponsor, the Employment and Economic Policy Administration (EEPA). YIEPP was operated directly through a special administrative unit, Youth Employment Services (YES), established specifically for this purpose.

Boston's strength lay primarily in its concern for the service needs of enrollees, manifested in an interest in individualized job development, an emphasis on personal counseling, the development of a network of alternative schools, and a detailed package of Enrichment activities for various target groups. This was all helped by a close and cooperative relationship with Boston Public School personnel. The site's weakness lay in its failure to come to grips with chronic management problems in a timely way.

The early stages of YIEPP coincided with the creation of EEPA. As EEPA's first major project, Boston YIEPP suffered from the inexperience of project staff. Moreover, the attempts of program managers to fine-tune the job matching process contributed to administrative difficulties; bottlenecks developed, causing lags between the youths' enrollment and job assignment. Adding to these difficulties were racial tensions in the city that made both black and white youths reluctant to travel through each other's neighborhoods to reach their jobs.

Project YES staff made a number of serious efforts to improve YIEPP management. The first reorganization was implemented in the fall of 1979. Basic management functions were decentralized to five geographic regions, which streamlined intake and job matching, and reduced the backlog of unassigned enrollees. Subsequently, a major overhaul focused on the modification and strengthening of other mangement functions, especially those related to the development of more effective information systems. The resulting improvement in both systems and the staff morale produced better program operations in the final months of the demonstration.

Despite its managerial problems, YIEPP in Boston achieved a number of positive results. Project YES successfully tapped a diverse mix of worksites throughout the city including hospitals, universities, and a variety of private employers. It was also distinguished by its concern for drop-out youths. Program staff developed a network of organizations that ran alternative education programs for a range of educational levels. One innovative program attempted with some success to link the educational curriculum to the work of high technology companies prevalent in the Boston area.

In the early fall of 1979, Boston implemented five Enrichment activities. An intensive in-school program for returning drop-outs or high-risk youths was most successful. Three programs that were moderately effective focused on remedial and support services for youths in alternative education programs, transitional services for program high school graduates and terminees, and special recruitment and educational services for monolingual Chinese- and Spanish-speaking youths.

Two relatively neglected areas in program operations were the private sector subsidy reduction plan, and the development and enforcement of school standards. Although over 50 percent of all worksites and 20 percent of all job hours were accounted for by the private sector, the subsidy reduction plan assumed that business employers would contribute to the wages of only the most exemplary youths, thereby essentially undercutting subsidy reduction effects during the demonstration period.

For the enforcement of school standards, Boston hired school liaisons, who also were responsible for counseling enrollees. Although this generally increased the effectiveness of the monitoring, the discretion that the counselors excercised on the application of the standards resulted in an inconsistent pattern of enforcement.

Boston's cumulative expenditures were $39.3 million, of which 84 percent were demonstration funds. The total number of participants enrolled came to 11,304, of whom 86.7 percent were assigned to jobs. Out-of-school participants represented 8 percent of total enrollments.

Cincinnati, Ohio

The Cincinnati program targeted the entire city. It was administered centrally by the prime sponsor, the Employment and Training Division of the City of Cincinnati, which created a separate administrative unit to implement and manage the program. Operational responsibility was spread among six subcontractors: the Cincinnati Public Schools, which were responsible for most program functions for in-school youths; the Citizens Committee on Youth, with responsibility for the returning drop-outs; the Cincinnati Institute of Justice, for youths involved with the juvenile justice system; the Greater Cincinnati Chamber of Commerce, with responsibility for the private sector worksites and the youths placed on those sites; and the Community Chest, which developed worksites in United Way agencies. Finally, Ohio Council 8 of the American Federation of State, County and Municipal Employees (AFSCME) monitored public sector worksites.

Coordination of these six subcontractors proved to be most difficult for the prime sponsor. The Chamber and the public schools, two of the most essential program agents, insisted on their own autonomy, often at the expense of a smoothly integrated program. The schools, moreover, were faced with a persistent fiscal crisis that debilitated their system and prevented them from fully supporting the program. While the Citizens Committee on Youth and the Institute of Justice implemented their roles with less friction, the Community Chest and AFSCME had many internal difficulties with their parts of program operations.

Nevertheless, there were several areas of achievement for Cincinnati YIEPP. The Institute of Justice succeeded in recruiting and assigning to jobs a significant number of youths who had previously been in contact with the courts. Private sector involvement developed well under the Chamber of Commerce's management, which at this site was strong throughout the demonstration. A variety of worksites were developed in sufficient quantities to meet enrollee needs, and overall, some 14 percent of all youth hours were spent in private sector worksites. The Chamber also operated a subsidy reduction plan which, although delayed in implementation, did yield good results.

Cumulative enrollment for the demonstration in Cincinnati totaled 5,638, with 90.5 percent assigned to jobs. The enrolled population included a higher percentage of minority youths (primarily black) than anticipated since Cincinnati was unable to make an enrollment dent in the poor white Appalachian population which resides in the city. Expenditures for the demonstration were $15.1 million, of which 89 percent were demonstration funds.

Denver, Colorado

A dependably operating YIEPP project in Denver never fully materialized. During most of the demonstration, the site was characterized by major administrative problems at the prime sponsor level, so that, even though some of the subcontractors performed effectively, the lack of a strong management capacity left them without needed direction. Throughout the demonstration, Denver YIEPP underwent a series of adjustments which undercut program development: major reorganizations, changes in subcontractors, and finally, a freeze on project enrollments in June of 1979. The eventual outcome was a smaller project than anticipated, and one which operated essentially as a fixed-slot program during the last demonstration year. While the project ran smoothly during this period, it was not an entitlement program in the same sense that other projects were.

YIEPP in Denver served the entire city and county, with the prime sponsor, Denver Employment and Training Administration (DETA), the managing agent for the program. Initially, large portions of the program operations were subcontracted to four agents: the Denver Public Schools, with the responsibility for recruitment, counseling and monitoring of the academic standards for in-school youths; the Denver unit of the National Alliance of Business (NAB) conducting job development and monitoring in the private sector; and two community groups, SER and OIC, in charge respectively of Chicano and black out-of-school youths and their educational services. DETA YIEPP staff conducted intake, payroll, some job development, and basic administration.

Almost at the outset, implementation problems arose in such areas as enrollment and job matching. Further, communications among the program agents was haphazard, and during the first year, three major subcontractors reorganized or underwent significant staff changes. At the same time, in response to general problems at DETA, both the agency as a whole and the YIEPP unit were reorganized, significantly cutting back the staff. In the midst of all these fluctuations, Denver YIEPP failed to develop dependable administrative systems in payroll, program monitoring, and fiscal and information system reporting. Finally, in the spring of 1979, the prime sponsor and the public schools were unable to come to agreement on a new contract for continuing the in-school portion of the project.

By June 1979, a meeting between DETA, MDRC and the Department of Labor resulted in cessation of program intake. Contracts with the agents, SER and OIC, were discontinued. Following a capacity review to determine if the program should continue, the Department of Labor decided that it should and new program agents were agreed upon. By the summer's end, subcontracts were completed with the Colorado State University Extension Service for the provision of services to drop-out youths and with the Denver NAB for an expansion of responsibilities to include most services to the in-school population. Intake remained closed in an attempt to gain more operational stability.

Further problems arose, however, when DETA, in mid-December 1979, laid off approximately half of its administrative staff, including YIEPP's director, its supervisor of the information system, and various support personnel. A program capacity review was again conducted in January 1980. The decision reached was that the project would continue, although considerably reduced, with DETA staff assigned to give administrative support and oversight to the service delivery agents. Following the review, revised procedures for the payroll, new systems for the monitoring of attendance and performance, for conducting reverification, and a subsidy reduction plan were put in place. Denver finished the demonstration as a small, but a workable, project with an average enrollment of some 400 youths.

The strengths in Denver YIEPP were specifically at the worksite level, especially in the private sector. Sixty-two percent of all work sponsors were private-for-profit employers; 28 pecent of all job hours were spent in job assignments for such businesses. Denver NAB, which had continued as a program agent throughout the other changes, built on the strength of Denver's economy in developing a variety of stable job slots.

Denver's cumulative expenditures were $10.9 million, of which 82 percent were demonstration funds. Cumulative enrollment for the demonstration was 4,304 youths. Only 81.8 percent were assigned to jobs, reflecting problems with job placement that plagued the program in its early days.

Detroit, Michigan

Detroit underwent a major alteration in program management during the first year to overcome the problems of a troubled start-up. Once first problems were behind it, the site drew on a number of strengths, including mayoral support, a cooperative relationship with the schools, and a successful private sector link to carry out its program.

Detroit began the demonstration with a project area which served five central-city high school districts; in late 1979, expansion almost doubled program boundaries, adding four more city high school districts. The project was administered by the prime sponsor, the Employment and Training Division (ETD), but was initially managed by the Detroit Public

Schools, with assistance from the Michigan Employment Security Commission in job assignment. The Chrysler Learning Institute also had a contract for recruitment, orientation, and placement of the drop-out youths in alternative education programs.

In the start-up phase, YIEPP proved to be more of a challenge than the school system had anticipated. Implementation difficulties emerged almost immediately, ranging from job placement failures to payroll problems for the youths already working. Despite a six-week halt in program operations, the Detroit school system could not stabilize operations, and consequently, in early 1979 a decision was made to transfer managerial responsibility to the prime sponsor. The roles of the two program agents were enlarged, with MESC assuming management of the job bank, and Chrysler Learning taking on all aspects of program operations for the out-of-school youths. Accompanying its assumption of YIEPP program operations, the prime sponsor also held a major reorganization, after which a full YIEPP operations unit was established and support staff added to the central payroll and information units.

Intensive efforts on the part of ETD throughout the spring and summer of 1979 improved the program operations significantly. Recruitment, intake, job development and matching functioned smoothly; new systems were developed for monitoring program standards and conducting eligibility reverification. Problems with the information system and payroll proved more intractable, but additional controls to some degree smoothed out the systems.

From the inception of the program, Detroit's involvement with the city's businesses was one of the most successful private sector relationships in the demonstration. The site developed a total of 1,169 private sector worksites and a successful subsidy reduction plan. Forty percent of all job hours were in the private firms.

Through the efforts of its agent, the Chrysler Learning Institute, which proved to be unusually adept at innovative recruitment and orientation techniques, Detroit managed to attract a substantial number of the youths who had dropped out of school. There were no specific alternative education programs for this group; instead, they could enroll in any of the 50 existing Adult Basic Education or GED options throughout the city. It was at the point of following through on educational placements that Chrysler services were weakest; the Institute never monitored and tracked the progress of the youths consistently. As a result, near the conclusion of the demonstration, the prime sponsor assumed responsibility for this group.

Within the public schools, YIEPP was a highly visible program, regarded well at both the central and the local principal level. Even though the management responsibilities had been removed from schools, YIEPP's implementation helped to strengthen their relationship with the prime sponsor system. Within the schools, YIEPP operated three Enrichment activities: an orientation project for the in-school students before worksite assignment; a career awareness activity; and tutorial services.

Detroit ended with its cumulative enrollments totaling 13,116; 93.5 percent were assigned to jobs. Detroit's expenditures for the demonstration period totaled $28.6 million, of which 78 percent were demonstration funds.

King-Snohomish (Seattle), Washington

YIEPP, in the King-Snohomish area of Washington state, covered a geographic area of 4,300 square miles, including the city of Seattle and the suburban and rural areas of King and Snohomish counties. The prime sponsor, the King-Snohomish Manpower Consortium (KSMC), had overall administrative responsiblility for YIEPP, carrying out the program planning, monitoring, collection of the data, and fiscal management.

Service provision was divided on a geographic basis among the Consortium's five members. In Seattle, the city's Department of Human Resources served returning drop-outs, while in-school youths were supervised by the Seattle Public Schools. In Snohomish County, responsibility was divided between the Everett School District #2 (for in-school youths) and the Passages Foundation (for returning drop-outs). The King County Department of Youth Services conducted YIEPP for enrollees in the county who lived outside the city of Seattle. Eligibility determination and assessment of the youths throughout the program area were under the state Employment Service.

Although the King-Snohomish project encompassed a dispersed and widely differing area geographically and went through several changes in organization at the prime sponsor level, its implementation was generally trouble-free. The fact that each of the site's subcontracting program agents ran its own program for one particular group of youths and was not asked to coordinate with the other agents is, in part, the reason. These program agents also had extensive past experience with other CETA youth programs.

Throughout the demonstration, this site had lower than projected enrollments. This did not appear to be due to operational problems but rather was a result of a strong regional economy and tight labor market, together with an unusual availability of youth program opportunities. The program agents all had imaginative and active recruitment efforts, but the competition from both the public and the private sectors kept enrollments disproportionately low. A major ramification of these low enrollment levels was high management-to-participant cost ratios, which were brought down with only an adjusted, reduced funding level and an attempt to set uniform overhead costs for program agents.

Management responsibility for YIEPP was originally handled by a separate administrative unit within KSMC, but after a reorganization in early summer of 1979, oversight was delegated to various functional units within the prime sponsor. Consortium staff acted primarily as coordinators with actual management mostly in the hands of the subcontracting project agents. In turn, each agent built its own YIEPP stucture. Service delivery, facilitated by the relatively small size of each component, was fairly individualized.

The low enrollments tended to reinforce the reluctance of the program agents to terminate youths for inadequate school performance. They hoped instead to improve performance with remediation. King-Snohomish's Enrichments also reflected the project's individualized approach. Activities were of two basic kinds: expanding resources and services for returning drop-outs, and career development activities for in-school youths, including orientation, workshops, skills training, and private sector job development and placement.

The King-Snohomish YIEPP plan did not originally call for much private sector involvement and it was only beginning in the second year that a real effort was begun on this front. Thus, cumulatively only 14.2 percent of all youths at this site were even assigned to private sector employment.

Cumulative enrollments for the demonstration totaled 6,911 youths, 93.3 percent of whom were assigned to jobs. Expenditures for the demonstration were $15.5 million, with 76 percent of program expenditures coming from demonstration funds.

Rural Mississippi

The YIEPP area in Mississippi covered 19 primarily rural counties, spanning east to west across the southern portion of the state. Within this boundary, there were 28 separate school districts, but just five urban areas with populations greater than 10,000. The only available public transportation was the local school bus system.

Mississippi YIEPP was probably the most administratively complex site in the demonstration. Nevertheless, except for a persistent lag in job development and youth assignment, the site managed to run an operation that was generally trouble-free in an area not noted for its receptivity to federal programs. The rural nature of the area in large measure caused the program's job development problems; yet Mississippi YIEPP served a substantial number of youths. In doing so, the program relied more heavily on public school worksites than any other project.

YIEPP was operated by the prime sponsor, the Governor's Office of Job Development and Training (GOJDT), which was responsible for program planning, monitoring, the coordination of program agents, and general reporting. The site was consistently well-managed in its routine functions, such as the submission of dependable MIS and fiscal reports. The Mississippi Employment Security Commission, the only agency in the state with an established delivery system, was contracted for development of the worksites, job placement and the subsequent monitoring, reverification, payroll, and the subsidy reduction plan. Initially, the University of Southern Mississippi was responsible for providing educational and support services, but in June of 1979, the contract was terminated for poor performance. The school districts then performed recruitment, monitoring of school standards, and counseling, while responsibility for day-care, transportation, and additional counseling services was contracted to four community based organizations. Alternative education centers, established by the University, continued to operate for returning drop-outs under the auspices of GOJDT.

The Mississippi program was, in effect, a series of small county-level projects, each achieving varying degrees of coordination among the individual program agents. In some cases, local parties worked together harmoniously; in others, they simply co-existed with little interaction. However, in certain counties, coordination between the Employment Service and other organizations was problematic, The prime sponsor instituted monthly meetings for the providers on a county basis, a strategy that improved communications but fell short of actually establishing ongoing coordination where it was needed.

As mentioned earlier, job development was the crucial problem with this site. The Employment Service, which operated with a chronic backlog of unassigned youths, contended that the rural nature of the economy set limits on the number of available jobs. In response, a number of efforts were launched, ranging from professional assessment of the job development strategies to a more aggressive private sector job development campaign. While overall a lack of jobs remained a problem to the site, it achieved some access to the private sector, a notable accomplishment in light of the traditional reluctance of local employers to deal with federal programs. From the outset, all private sector employers were required to contribute one-quarter of the wage costs; the reimbursement system, which functioned smoothly, was handled by the Employment Service. By the conclusion of the demonstration, 65 percent of all worksites had been developed in the private sector, although just 12.4 percent of hours were worked there. This reflects a multiplicity of worksites, high turnover rates, and small numbers of youths assigned to each business.

The site had other achievements. A functioning transportation network was developed, often ferrying youths long distances. Day-care services were routinely provided and for returning drop-outs, a series of alternative education centers were set up throughout the area. The new centers served significant numbers, with a peak of 700 enrolled.

The schooling aspect of Mississippi YIEPP, despite the many jurisdictions, was fairly consistent. Reasonably well-functioning systems for monitoring academic standards were established, involving both YEIPP counselors, who gathered the data, and Employment Service staff, who enforced the standards. Local principals often became increasingly receptive to the program as it progressed. Enrichment activities provided additional remediation services to some enrollees in 17 of the 19 counties.

Despite the problems with the job development process and a lack of local coordination, cumulative enrollments in Mississippi totaled 13,293, the second highest in the demonstration; 97.5 percent were given jobs. Total expenditures for the demonstration came to $39.3 million; 83 percent were paid by demonstration funds.

TIER II

Alachua County, Florida

Alachua County's YIEPP service area consisted of two contiguous school districts. One was predominantly urban and extended across the eastern portion of the city of Gainesville. The other centered on the village of Hawthorne, 15 miles from Gainesville. The project was one of the smaller ones in the demonstration.

Administered and operated by the prime sponsor, Alachua County CETA, YIEPP soon established a close linkage with the educational system, which allowed prime sponsor staff to deliver services and monitor enrollee performance with relative ease. In addition, Alachua was quite successful with several special features and an Enrichment activity. Although there were some areas of difficulty in program operations -- specifically, the development of jobs in rural areas and turnover among their project staff -- Alachua YIEPP provided dependable services to participants.

A prime sponsor liaison was stationed at the Alachua County School Board and linked the project to the schools. The liaison assisted in recruitment, verified school status, and monitored academic and attendance standards. The schools responded to the project by allowing their facilities to be used for career-related activities, and by developing flexible scheduling for YIEPP enrollees. Moreover, the school districts supported monitoring and enforcement of the YIEPP school standards.

Although Alachua had projected the enrollment of significant numbers of drop-outs, the project was composed almost entirely of in-school youths (98 percent). One reason for the low participation of drop-outs was the lack of educational alternatives to the regular school program.

Special features of the project were a focus on referrals from the juvenile justice system, career development, and an OJT component in the private sector. Juvenile justice youths, who were expected to make up some 10 percent of total enrollments, were actually 12 percent of all participants. Although these youths received no formal, separate treatment, they tended to receive more frequent and intensive counseling from YIEPP staff. Career development activities included a comprehensive orientation before initial job assignment, and group counseling sessions. There was involvement in the private sector, although development of private sector jobs, like all employment, was difficult in the rural Hawthorne area. Public sector employment was primarily in a wide variety of jobs at the University of Florida and Gainesville hospitals.

Cumulative enrollment for the demonstration totaled 478, with 99.6 percent assigned. Alachua spent $1.4 million during the demonstration, 85 percent of which were demonstration funds.

Albuquerque, New Mexico

The Albuquerque project was administered through the Office of Comprehensive Employment and Training Administration (OCETA) of the City of Albuquerque/Bernalillo County Consortium. The Albuquerque Public

School System, the traditional subcontractor for OCETA youth programs, actually managed YIEPP, although the system developed a separate operations unit for the program. Overall it was a smoothly run operation. Originally servicing one school district, the project was expanded to two additional districts in late 1979.

The school system had little trouble in reaching projected enrollment levels with in-school youths and finding jobs for them and perhaps because of this, did not develop a component for drop-outs. Monitoring of school attendance and performance standards was also easy in this school-managed project, but the standards were not systematically enforced.

Initially, Albuquerque's special features included an occupational and career class which consisted of a weekly, one-hour session conducted by YIEPP counselors. Academic credit was granted for participation in this class, combined with satisfactory job performance. Another project for teen mothers was a linkage to the New Futures School, where pregnant teens and mothers were given education, supportive services, and placed in worksites. New Futures used another grant from the Department of Health, Education and Welfare to establish a day-care center specifically for YIEPP enrollees. In 1979, a third feature, transportation services, was incorporated into the program to transport the youths to their main worksite, Kirtland Air Force Base.

Albuquerque ended the demonstration with a cumulative enrollment of 1,601 youths, 98 percent of whom were assigned to work. Expenditures for the demonstration totaled $3.1 million, of which 89 percent came from the demonstration funds.

Berkeley, California

Covering the whole city, Berkeley YIEPP was the responsibility of the prime sponsor, the Office of Employment and Community Program (OECP), which took care of oversight, coordination, information and fiscal services. The program itself was managed by the Youth Employment Service of the city of Berkeley and a special component of the Berkeley Unified School District. Counselors from these two organizations provided youths with services "side by side," including orientation, job placement, monitoring, and the enforcement of program standards. The State Employment Development Department performed intake and enrollment, while VISTA College initially provided GED and counseling services for the older drop-outs. (This subcontract was later terminated for poor performance.) Berkeley's implementation experience was colored by its dual management system. This system fostered coordination, but it sometimes resulted in duplication of effort or confusion of responsibility.

Program implementation started slowly. Although 500 youths enrolled by fall of 1978, few returning drop-outs were recruited. Collection of the data, reporting and the job development process ran poorly due to staffing problems resulting in part from the cutbacks caused by California's budget restrictions under Proposition 13. In February 1979, a new director for YES was hired to help co-manage YIEPP, and all its operational tasks improved.

Balancing these early problems were considerable program strengths. With the school district involved in program operations, recruitment of the in-school youths went smoothly, and job development picked up over time. Initial lags in the period between enrollment and placement were gradually decreased, and also the site began to help youths use the waiting period by assigning them to remedial reading and career assessment sessions. The site put a good deal of effort into including handicapped youths as a special target group with successful results.

For an academic standard Berkeley used a "C" average -- the strictest in the demonstration. The site's monitoring of school performance and attendance was reasonably thorough. Its approach was not to terminate students but instead to try to solve the problem of poor performance with remediation. Among Berkeley's specialized services to enrollees were tutorial services for youths who fell below the academic standard. As a result, approximately half the youths put on probation during any grading period were able to regain good standing by the next.

Worksite development in Berkeley was mainly focused on the public and nonprofit employers. Initially Berkeley failed to develop a subsidy reduction plan and consequently ceased making private sector placements. Later in the demonstration, the site conducted limited job development in the private sector and developed an acceptable subsidy reduction plan.

Cumulative enrollment for Berkeley YIEPP was 1,375, with 92.9 percent assigned to jobs. Demonstration expenditures totaled $4.3 million; 60 percent of those expenditures came from demonstration funds.

Dayton, Ohio

The original program area in Dayton YIEPP consisted of one census tract in a predominantly black area. The original proposal severely miscalculated enrollment levels and only about 40 youths participated in YIEPP in a typical month. As a result, worksite development easily kept pace with the enrollments, and the monitoring of school standards and of public sector worksites all went smoothly. Low enrollments, however, discouraged staff from terminating youths and also resulted in high management costs. Participating youths attended a variety of high schools in the city, but most were in a high school just outside YIEPP's boundaries. An expansion implemented in the fall of 1979 extended the boundaries of the target area to include the high school and increased enrollment levels to approximately 150.

The grant for YIEPP was first awarded to the Miami Valley Manpower Consortium and subsequently transferred to the City of Dayton when it became prime sponsor. The Dayton School Board was the program's managing agent, responsible for recruitment, enrollment, job development, placement, counseling, and monitoring, while the City handled fiscal, and information systems management, reports and contract monitoring. The Dayton Urban League had charge of private sector involvement, which stressed the development of an on-the-job-training (OJT) component.

Relationships among participating agencies were frequently strained. There was a lack of early commitment to the program on the part of the prime sponsor; oversight responsibilities were exercised fitfully throughout the demonstration; and staff changes caused periodic problems with information systems and fiscal reports.

Dayton's OJT component, which seemed promising on paper, was plagued with difficulties from its inception. Problems ranged from poor relationships between the managing agent and the subcontractor, to the cumbersome selection process for matching OJT candidates with job slots. By the fall of 1979, the contract with the Urban League was dropped, and a new one was subsequently awarded to the Miami Valley Alliance of Businessmen. Disputes between the School Board and this subcontractor further delayed assignment of the youths. Even when enrollment levels had increased substantially, the OJT component never placed more than a dozen youths.

Dayton ended the demonstration with a cumulative enrollment of 356; 97.8 percent were assigned to jobs. Cumulative expenditures for the demonstration totaled $787,000, 97 percent of which were demonstration funds.

Hillsborough County/Nashua, New Hampshire

YIEPP in Hillsborough County served the city of Nashua, a small but rapidly growing city in southern New Hampshire. The project was administered by Southern New Hampshire Services (SNHS), the agency responsible for CETA and most other human services programs in the county. Central administrative functions for the project were handled in the office at Goffstown; outstationed staff in Nashua took care of program services. Two subcontractors were used throughout the demonstration: the Chamber of Commerce and the Adult Learning Center, with the Chamber responsible for private sector worksites and related functions, and the Adult Learning Center taking care of alternative education opportunities for returning drop-outs. Overall, the project operated smoothly; its particular strength was an individualized focus. Lower than projected enrollment led to expansion of the target area in 1979. Both the expansion and the inclusion of a special needs population succeeded in bolstering participation.

The project's personal approach to services was helped by its small size. Youths without experience or those without some basic work skills were generally assigned to public sector worksites and then transferred to private sector ones when they had demonstrated good performance. Augmenting work experience was a career awareness program, which included speakers, counseling, and transition services.

The Chamber of Commerce took advantage of the area's economic growth to tap a number of private employers for YIEPP participation. Seventy-four percent of worksites and 63 percent of job-hours were in the private sector. This was not achieved, however, without some strains between the Chamber and the prime sponsor. Initially, the Chamber was slow in the development of jobs and matching youths to them, though a second, performance-based contract brought some improvement. One conflict that was never resolved was counseling youths at private worksites. The Chamber felt that their own links to businesses made them the qualified counselors, while project counselors contended that this policy prevented them from intervening directly in job-related problems.

Another area of contention between the two organizations was the reluctance of the Chamber to implement the private sector subsidy reduction plan. In the demonstration's waning months, however, a new job developer at the Chamber was able to establish better relationships with the prime sponsor.

Hillsborough did well in its enrollment of drop-outs; they comprised 17 percent of cumulative enrollments. Overall, enrollments numbered 333; over 98 percent of these enrollees were assigned to jobs. Expenditures for the demonstration totaled $1.1 million; 90 percent came from the demonstration funds.

Monterey County, California

Monterey YIEPP originally served an area encompassing three townships -- Soledad, Gonzales and Chular -- the geographic area served by the Gonzales High School district. The program was administered by the Monterey County prime sponsor, while the Monterey County Youth Corps, a division of the Monterey Office of Education and delivery agent for other CETA youth programs, was the managing agent.

Monterey County YIEPP had few problems; its operation was one of the best in the overall demonstration. Not only did the initial start-up of program operations run smoothly, but also subsequent changes, such as site expansion and the development of an alternative education project, were implemented easily. Private sector job development was strong, as was an emphasis on maintenance of academic standards.

The site did not attract the youths from migrant farm labor populations whom it had originally intended to serve. Staff found that because of previous efforts of the Farmworkers Union, income levels of these groups tended to be higher than YIEPP's cut-off point. All aspects of the program itself were well-developed. Worksite monitoring, conducted by the project staff, was followed up, when necessary, by corrective action, ranging from discussions with the supervisors to cancellations of problem worksites. Since most job placements were individually tailored to youths' interests, the program, on the whole, provided a good quality of work experience. Facilitated by the location of the program office on the high school campus, monitoring and the enforcement of school standards was thorough and systematic.

A public sector worksite shortage caused by Proposition 13 cutbacks led the site to emphasize private sector placements. Cumulative job-hours in the private sector worksites amounted to some 63 percent of hours worked. A plan for the reduction of the subsidy at stated intervals was developed and carried out. Many youths obtained post-program placements in their private sector work stations.

Monterey ended the demonstration with 677 enrollees, of whom 91.3 percent were assigned to jobs. Total expenditures for the demonstration period were $1.6 million, all of which were demonstration funds.

New York, New York

New York's original target area covered Brooklyn's Crown Heights section and an adjacent portion of the Brownsville area. Portions of the boroughs of Bronx and Queens were added to the target area in January 1980. Since the areas were not near each other, this resulted in some problems of coordination.

The New York City Department of Employment (DOE) acted as the managing agent for YIEPP, running it directly except for two small subcontracts: The New York City Board of Education provided tutorial services, and later, the Chase Manhattan Bank was responsible for subsidy reduction billings. Despite the degree of centralized control, YIEPP in New York had an uneven pattern of implementation. A basic difficulty was that it was a relatively small project operating in a large bureaucracy. Alterations in program operations required a long and sometimes unresponsive decision-making process.

New York had good enrollment levels and implemented a smooth process for job matching. An early feature of the program was a special tutoring project, which was designed to provide some participants with remediation with grant funds from the Department of Health, Education and Welfare due to bureaucratic wrangling among the various city agencies.

Attention during the concluding demonstration year focused on the site's expansion. It dragged, since hiring of personnel and the selection of new office space depended on the centralized decision process. An open school enrollment policy also meant that youths in target areas attended high school anywhere in New York. While the site was generally able to cope with this particular difficulty, it did affect enrollment levels for expansion areas, keeping them below projections. However, the wide dispersal of the students' schools did not prevent the site from eventually setting up a generally workable system of monitoring school standards.

While private sector job development efforts recruited many small and service-oriented businesses, there were delays in the implementation of the subsidy reduction plan within the bureaucracy and difficulties in the system for collecting reimbursements. Nonetheless, New York completed the demonstration with a significant 38 percent of all job hours in private sector worksites. Out of 275 sponsors, 118 were in the private sector.

Cumulative expenditures for New York were $4 million, of which 69 percent were demonstration funds. Cumulative enrollments totaled 1,602 youths, of whom 94.5 percent were assigned to worksites.

Philadelphia, Pennsylvania

The original YIEPP target area in this site was just one census tract in North Philadelphia. The area contained a mixture of some public housing, industrial sites, and limited private housing. Because of the low population count, a decision was made in September 1979 to expand the boundaries to an adjacent, more populous census tract.

The project was administered by the prime sponsor, the Area Manpower Planning Council (AMPC), and managed by two subcontractors. The Philadelphia School District was responsible for most program operations, including recruitment, intake, standards, enforcement and terminations; the Council for the Revitalization of Employment and Industry took on all job development, worksite monitoring, and job-related counseling.

When they began the demonstration, the School District and the Council were not unified. The Council excluded the School District staff from any participation in work-related concerns, and similarly, Council staff were not allowed to interact with YIEPP enrollees, except at worksites. Contributing to the communications gap was the prime sponsor's initial reluctance to press the organizations for more cooperation. Moreover, since each subcontractor had its own director, counseling and support staff, Philadelphia had very high administrative costs.

A management study in 1979 recommended joint meetings and a sharing of staff office space. The recommendations were followed, and communications improved somewhat. Expansion in the fall of 1979, with its attendant increase in enrollments, brought down participant/management cost ratios and gave staff an incentive to perform well.

Philadelphia managers tended to regard YIEPP as a program to compensate for lack of other opportunities among eligible youths. In keeping with this belief, they did not like to terminate the youths who fell below school standards, preferring to work with them to help improve their school performance and behavior.

The biggest achievement at this site was its involvement with the private sector. With the Council as the job developer, there was a ready supply of private sector worksites. While an initial attempt to work with garment trades proved unsuccessful because of supervision problems and the nature of the jobs, a wide variety of other worksites was eventually developed and sustained. The level of private sector job-hours was high -- 55 percent of all hours worked. A private sector subsidy reduction plan was also implemented, keying the amount of subsidy reduction to a youth's performance. Although coordination difficulties caused initial delays, as in other cases the Council and School District eventually managed to find ways to work together on the project.

Philadelphia ended the demonstration with a cumulative enrollment of 684 youths. All but one were assigned to jobs. Cumulative expenditures for the demonstration totaled $2 million, of which 90 percent was demonstration funding.

Steuben County, New York

The original YIEPP service area in Steuben County comprised seven contiguous school districts in the southern and most rural portion of the county, chosen because traditionally the county's other employment and training programs had not served the area. In 1979 the area was expanded to include another district. Both because job opportunities in Steuben County were limited and the program was supposed to be an "innovative" one, the site developed worksites -- such as theater, psychodrama, art and forestry projects -- to provide some opportunities not usually available to area youths. The psychodrama, however, was abandoned early due to community resistance to a questionable youth activity, and the remaining projects were later supplemented with work experience jobs in public agencies.

The Steuben project was beset by difficulties. At various points, the site had problems with a low enrollment level, lack of internal and fiscal management control, and a failure to coordinate subcontractors. Nevertheless, as was the case with many Tier II sites, small program scale allowed the project to provide enrollees with individualized services. Moreover, by YIEPP's last operational year, the site had managed to iron out most of its problems and ended up, except for fiscal management, running smoothly.

Steuben County CETA administered YIEPP from an outstationed project office, which was responsible for recruitment and enrollment, job development, and some counseling. Six agencies used in the past for other CETA programs were given contracts for the various YIEPP functions: the New York State Employment Service (recruitment and intake); a local community action agency (payroll); another state agency, (alternative education); the Rural Farm Workers, Inc. (counseling); Corning Community College (theater worksites); and the New York State Department of Environmental Conservation (forestry worksites). While there was a sufficient number of jobs, finding sufficient hours of work for youths was a problem because the distances involved made scheduling and transportation difficult.

Lower than projected enrollment was a persistent problem. Enrollment peaked at 139 but mainly stayed at around 100. Since alternative education programs were not available in the area, Steuben established three GED classes to attract drop-out youths. The lack of other available jobs and educational options enabled Steuben to keep a fairly high level of out-of-school enrollment, about 15 percent of total. Individualized counseling was an important component of the program for all YIEPP youths and proved especially important to the drop-out group.

Cumulative enrollments through August 1980 reached 363, with 95.9 percent assigned to jobs. Spending reached $1.2 million through August of 1980; 34 percent of this amount was met through local resources.

Syracuse, New York

YIEPP in Syracuse, as in Berkeley, served the entire city. The program was administered by the Office of Federal and State Aid Coordination (OFSAC), an umbrella agency charged with the administration of federal and state revenues received by Syracuse. Responsibility for YIEPP was shared by four divisions of OFSAC. There were no managing agents or subcontractors, but there was close and a cooperative relationship with the Syracuse public schools.

In its delivery of the basic program services, Syracuse was a successful project. The site could not realize all its ambitions, such as services for some special groups like teenage parents and juvenile offenders, but it did record important achievements in the field of private sector job development. Like other sites, this city had little trouble recruiting in-school youths. However, because YIEPP was competing with another large-scale program offering jobs to drop-out youths without a school requirement, its efforts to recruit this target group were not as fruitful. However, in August 1979, when the competing federal program ended, the site significantly increased its drop-out enrollment.

YIEPP's academic standards were irregularly enforced in early phases of the demonstration, primarily because the counselors stood up for students who might have been expelled. Later, Syracuse more rigorously enforced the standards.

The site's component for the private sector had an uncertain start. For a variety of reasons, including unanticipated school scheduling and transportation problems, as many as 40 percent of the original private sector worksites dropped out. However, once early problems were resolved, private sector job development gained momentum. Cumulatively, Syracuse reported 49.4 percent of worksites and 24.6 percent of all hours worked with private employers.

Syracuse consistently met a large proportion of the demonstration costs ($3.7 million) through local resources. Through August 1980, 45 percent of total costs came from its matching funds. The project reached a cumulative enrollment of 1,864 youths, with 90.8 percent assigned to jobs.

APPENDIX B

The tables and charts included in this appendix relate back to chapters in the report. In some cases, they document specific text references or supplement specific tables and charts in those chapters.

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TABLE B-1

CHARACTERISTICS OF YOUTHS AT THE TIME OF ENROLLMENT IN THE ENTITLEMENT DEMONSTRATION

Characteristics at the Time of Enrollment	Tier I	Tier II	Total
Total Youths Enrolled	72,341	9,333	81,674
Age (%)[a]			
16 years old	56.9	55.7	56.8
17 years old	25.7	28.1	26.0
18 years old	12.4	12.5	12.5
19 years old	4.9	3.6	4.8
Sex (%)[a]			
Male	49.4	47.3	49.2
Female	50.6	52.7	50.8
Ethnicity (%)[a]			
White (non-Hispanic)	18.0	17.6	18.0
Black (non-Hispanic)	73.9	57.8	72.0
American Indian / Alaskan Native	0.7	0.8	0.7
Asian / Pacific Islander	2.1	1.9	2.1
Hispanic	5.3	21.9	7.2
Marital Status (%)[a]			
Never Married	99.1	98.9	99.1
Ever Married	0.9	1.1	0.9
Head of Household (%)	1.2	2.4	1.3
Living With Own Children (%)	5.9	5.8	5.9
Family Receiving Cash Welfare - AFDC, SSI, or GA (%)	43.2	41.7	43.1
Ever Dropped Out of School For a Semester or Longer (%)	15.7	10.3	15.1
Out of School in the Semester Prior to Enrollment (%)	10.2	4.1	9.5
Highest Grade Completed (%)[a]			
0-7	3.1	1.1	2.8
8	11.3	7.7	10.9
9	31.5	29.7	31.3
10	34.0	37.8	34.5
11	20.1	23.7	20.5
Ever Participated in a CETA Employment Program (%)	22.9	23.7	22.9
Ever Worked in a Non-Subsidized Job (%)	5.7	9.7	6.2

SOURCE: Tabulations of Enrollment forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all youths enrolled in the 17 sites of the Entitlement Demonstration during the period from February 1978 through August 1980.

[a] Percents may not add exactly to 100.0 because of rounding.

CHARACTERISTICS OF YOUTHS AT THE TIME OF ENROLLMENT IN THE ENTITLEMENT DEMONSTRATION, BY SITE

TIER I

Characteristics at the Time of Enrollment	Baltimore	Boston	Cincinnati	Denver	Detroit	King-Snohomish	Mississippi	Total Tier I
Total Youths Enrolled	17,775	11,304	5,638	4,304	13,116	6,911	13,293	72,341
Age (%)[a]								
16 years old	56.8	59.6	56.1	52.6	55.1	52.5	60.7	56.9
17 years old	24.4	25.3	25.5	27.6	26.5	27.4	25.7	25.7
18 years old	13.2	11.0	13.3	14.9	13.0	13.8	10.2	12.4
19 years old	5.6	4.1	5.1	4.9	5.5	6.3	3.5	4.9
Sex (%)[a]								
Male	48.3	51.7	48.9	50.3	48.8	49.8	49.4	49.4
Female	51.7	48.3	51.1	49.7	51.2	50.2	50.6	50.6
Ethnicity (%)[a]								
White (non-Hispanic)	3.8	35.1	9.4	13.5	3.5	57.1	21.8	18.0
Black (non-Hispanic)	96.0	49.9	90.5	38.4	92.0	22.8	77.8	73.9
American Indian / Alaskan Native	0.1	0.4	0.0	2.0	0.1	4.7	0.1	0.7
Asian / Pacific Islander	0.0	4.3	0.1	3.2	0.2	12.3	0.0	2.1
Hispanic	0.1	10.3	0.0	42.9	4.2	3.1	0.3	5.3
Living With Own Children (%)	7.3	4.7	6.2	5.7	6.0	3.3	6.2	5.9
Family Receiving Cash Welfare - AFDC, SSI, or GA (%)	54.7	43.4	48.5	32.2	48.5	35.0	28.1	43.2
Ever Dropped Out of School For a Semester or Longer (%)	18.4	13.3	15.9	24.3	15.2	18.7	9.9	15.7
Out of School in the Semester Prior to Enrollment (%)	13.6	8.0	10.1	13.0	9.9	12.4	5.6	10.2

SOURCE: Tabulations of Enrollment forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all youths enrolled in the 7 Tier I sites during the period from February 1978 through August 1980.

[a] Percents may not add exactly to 100.0 because of rounding.

TABLE B-3

CHARACTERISTICS OF YOUTHS AT THE TIME OF ENROLLMENT IN THE ENTITLEMENT DEMONSTRATION, BY SITE

TIER II

Characteristics at the Time of Enrollment	Alachua County	Albuquerque	Berkeley	Dayton	Hillsborough	Monterey	New York	Philadelphia	Steuben County	Syracuse	Total Tier II
Total Youths Enrolled	478	1,601	1,375	356	333	677	1,602	684	363	1,864	9,333
Age (%)[a]											
16 years old	62.4	59.8	57.8	52.0	54.7	54.3	48.8	58.4	48.7	56.6	55.7
17 years old	26.1	28.2	25.4	30.0	26.7	29.4	31.5	29.9	26.2	26.9	28.1
18 years old	9.9	10.0	13.6	13.2	15.6	12.6	15.0	9.7	16.2	12.1	12.5
19 years old	1.7	2.0	3.3	4.8	3.0	3.7	4.7	2.0	8.9	4.4	3.6
Sex (%)[a]											
Male	46.8	50.2	51.2	48.7	47.3	50.7	37.9	41.8	50.1	50.3	47.3
Female	53.2	49.8	48.8	51.3	52.7	49.3	62.1	58.2	49.9	49.7	52.7
Ethnicity (%)[a]											
White (non-Hispanic)	8.6	6.1	13.4	0.3	92.2	14.2	1.8	0.0	99.4	28.3	17.6
Black (non-Hispanic)	91.4	10.3	73.8	99.7	3.6	8.0	87.3	99.6	0.0	68.2	57.8
American Indian / Alaskan Native	0.0	3.3	0.1	0.0	0.6	0.7	0.0	0.0	0.0	0.9	0.8
Asian / Pacific Islander	0.0	2.5	5.6	0.0	0.9	7.2	0.0	0.0	0.0	0.6	1.9
Hispanic	0.0	77.8	7.1	0.0	2.7	69.9	10.9	0.4	0.6	2.0	21.9
Living With Own Children (%)	6.3	5.8	2.7	9.0	3.3	5.8	3.6	6.7	9.4	8.5	5.8
Family Receiving Cash Welfare - AFDC, SSI, or GA (%)	29.1	45.2	42.8	58.4	30.6	40.8	34.3	56.1	23.1	45.0	41.7
Ever Dropped Out of School For a Semester or Longer (%)	5.0	16.5	6.5	8.8	20.8	16.4	2.7	4.1	25.2	11.0	10.3
Out of School in the Semester Prior to Enrollment (%)	1.5	5.0	2.5	2.9	17.2	7.1	0.6	2.1	18.2	3.1	4.1

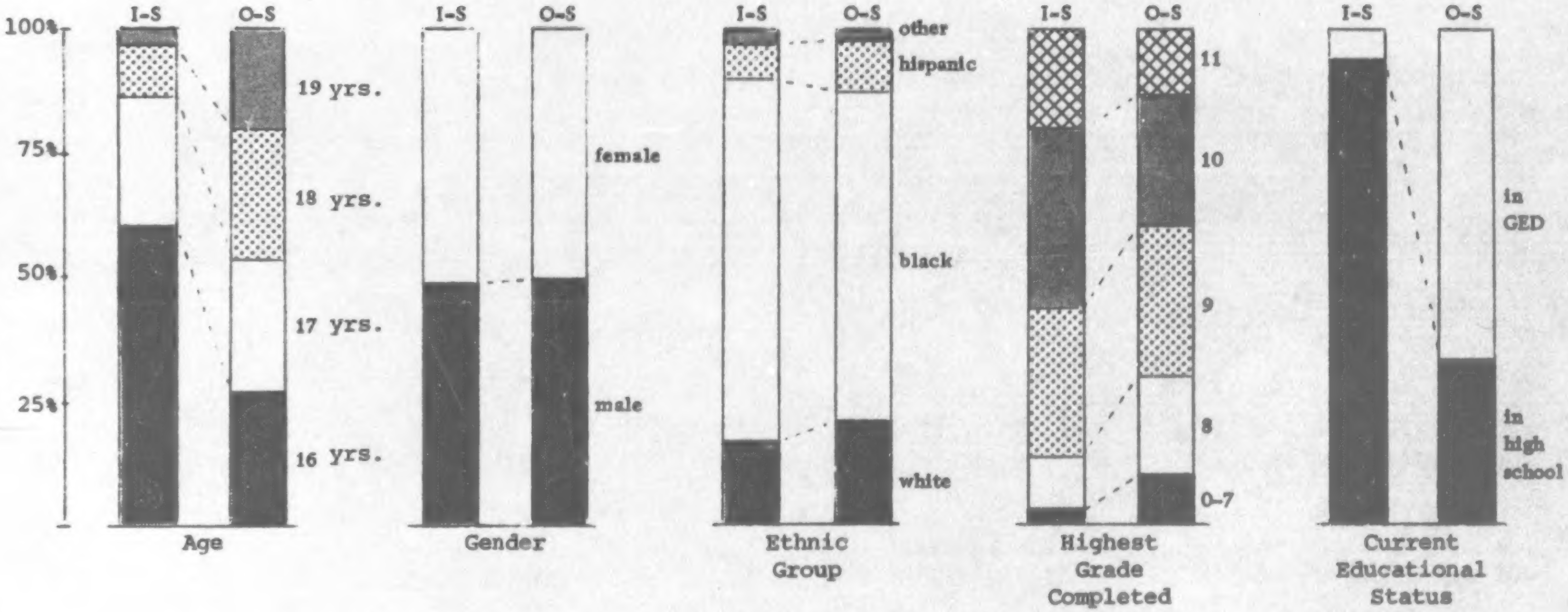
SOURCE: Tabulations of Enrollment forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all youths enrolled in the 10 Tier II sites during the period from February 1978 through August 1980.

[a] Percents may not add exactly to 100.0 because of rounding.

CHART B-1

COMPARISON OF CHARACTERISTICS OF IN-SCHOOL AND OUT-OF-SCHOOL ENROLLEES IN THE ENTITLEMENT DEMONSTRATION



SOURCE: Tabulations of Enrollment forms in the Youth Entitlement Demonstration Information System.

NOTES: The chart represents information contained on the Enrollment forms of 73,303 in-school and 7,683 out-of-school youths. An "out-of-school" enrollee is one who was not enrolled in any educational program in the semester prior to enrollment in the Entitlement Demonstration.

TABLE B-4

RECRUITMENT SOURCE OF YOUTHS ENROLLED IN THE ENTITLEMENT DEMONSTRATION THROUGH AUGUST 1980, BY PRIOR EDUCATION STATUS AND ENROLLMENT PERIOD

Prior Education Status	Most Frequent Source	2nd Most Frequent Source	3rd Most Frequent Source
IN-SCHOOL YOUTHS[a]			
Startup - 8/78	School (69.4%)	Friends/Relatives (11.4%)	Community Orgs. (9.6%)
9/78 - 8/79	School (57.5%)	Friends/Relatives (23.1%)	Community Orgs. (8.2%)
9/79 - 8/80	School (60.8%)	Friends/Relatives (22.2%)	Community Orgs. (6.2%)
Total Through 8/80	School (63.7%)	Friends/Relatives (17.7%)	Community Orgs. (8.3%)
OUT-OF-SCHOOL YOUTHS			
Startup - 8/78	Friends/Relatives (37.0%)	School (21.9%)	Community Orgs. (15.2%)
9/78 - 8/79	Friends/Relatives (39.2%)	School (16.8%)	Community Orgs. (15.7%)
9/79 - 8/80	Friends/Relatives (33.2%)	Newspapers/Radio/TV (18.6%)	School (17.4%)
Total Through 8/80	Friends/Relatives (36.8%)	School (18.6%)	Community Orgs. (14.9%)

SOURCE: Tabulations of Enrollment forms in the Youth Entitlement Demonstration Information System.

NOTES: Prior Education Status refers to a youth's school status during the semester prior to enrollment in the Entitlement Demonstration.

[a] In-School youths includes youths in high school or in GED programs.

TABLE B-5

RECRUITMENT SOURCE OF YOUTHS ENROLLED IN THE ENTITLEMENT DEMONSTRATION, BY PRIOR EDUCATION STATUS

TIER I

rior ducational tatus	Number of Youths Enrolled	Percentage Distribution by Recruitment Source						
		School	Friends/ Relatives	Community Organization	Government Manpower Agencies[b]	Newspaper, Radio,TV	Other	Total
altimore								
In-School[a]	15,245	39.7	28.9	18.0	1.9	2.2	9.3	100.0
Out-of-School	2,403	9.4	56.3	14.2	6.4	3.6	10.1	100.0
oston								
In-School	10,273	44.8	29.6	14.1	3.5	3.1	4.9	100.0
Out-of-School	892	10.8	32.7	37.1	2.5	3.3	13.6	100.0
incinnati								
In-School	5,062	74.5	9.8	1.6	0.1	0.6	13.4	100.0
Out-of-School	566	3.7	34.5	12.2	0.4	3.4	45.8	100.0
enver								
In-School	3,741	76.5	12.3	5.4	1.3	0.7	3.8	100.0
Out-of-School	557	47.7	31.2	11.2	1.1	1.6	7.2	100.0
etroit								
In-School	11,711	77.8	13.3	2.5	0.3	4.2	1.9	100.0
Out-of-School	1,291	11.3	25.2	4.9	0.9	48.5	9.2	100.0
ing-Snohomish								
In-School	6,019	53.6	16.5	14.6	3.4	1.6	10.3	100.0
Out-of-School	852	10.9	36.3	17.7	7.7	14.2	13.2	100.0
ississippi								
In-School	12,516	87.3	3.9	0.9	7.8	0.0	0.1	100.0
Out-of-School	746	57.3	10.5	13.2	15.8	0.0	3.2	100.0
otal Tier I								
In-School	64,567	62.8	17.7	8.9	3.0	2.0	5.6	100.0
Out-of-School	7,307	17.5	37.3	15.2	5.2	12.2	12.6	100.0

SOURCE: Tabulations of Enrollment Forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all enrollees in the 7 Tier I sites during the period from February 1978 through August 1980, hose forms indicated educational status in the semester prior to enrollment. The percentage distribution is based on nly those forms that indicated the referral source for the youth (99.2% of all enrollments).

[a] "In-School" includes youths who were enrolled in either a high school or equivalency degree program.

[b] "Government Manpower Agencies" include the Prime Sponsors, Employment Security, and other agencies.

TABLE B-6

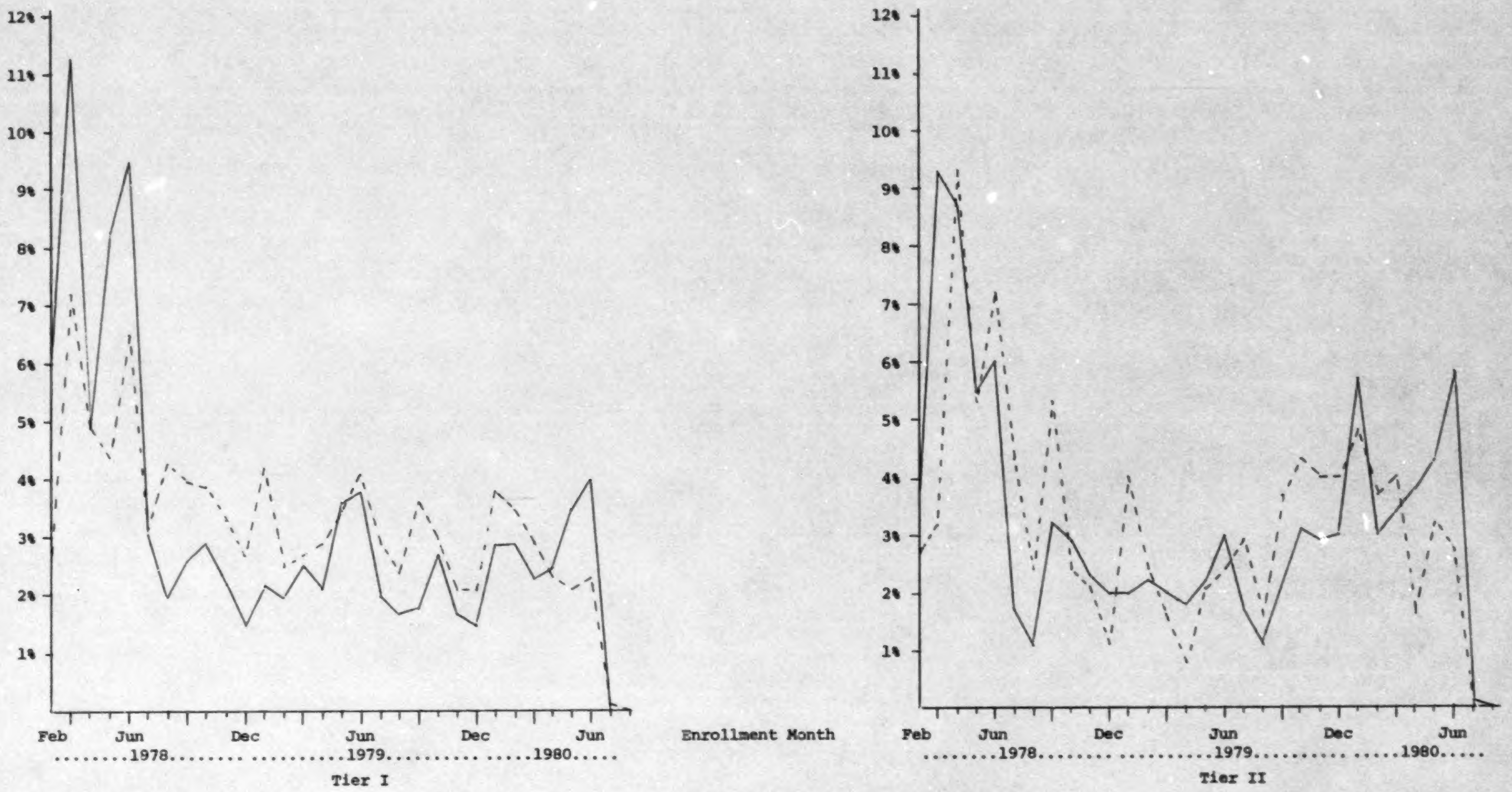
RECRUITMENT SOURCE OF YOUTHS ENROLLED IN THE ENTITLEMENT DEMONSTRATION, BY PRIOR EDUCATIONAL STATUS

TIER II

Prior Educational Status	Number of Youths Enrolled	Percentage Distribution by Recruitment Source						
		School	Friends/ Relatives	Community Organization	Government Manpower Agencies[b]	Newspaper, Radio,TV	Other	Total
Alachua County								
In-School[a]	469	79.5	17.0	0.7	0.0	0.2	2.6	100.0
Out-of-School	7	71.4	14.3	0.0	0.0	0.0	14.3	100.0
Albuquerque								
In-School	1,449	97.9	1.5	0.1	0.3	0.1	0.1	100.0
Out-of-School	77	94.8	3.9	0.0	1.3	0.0	0.0	100.0
Berkeley								
In-School	1,279	49.2	23.2	18.2	0.8	2.3	6.3	100.0
Out-of-School	33	36.4	21.2	18.2	0.0	6.0	18.2	100.0
Dayton								
In-School	338	91.6	3.3	0.0	0.6	0.3	4.2	100.0
Out-of-School	10	66.7	22.2	0.0	11.1	0.0	0.0	100.0
Hillsborough								
In-School	265	63.8	8.7	7.2	7.1	3.4	9.8	100.0
Out-of-School	55	21.8	23.6	16.4	1.8	9.1	27.3	100.0
Monterey								
In-School	624	66.3	18.4	0.3	0.2	0.3	14.5	100.0
Out-of-School	48	35.4	35.4	2.1	2.1	2.1	22.9	100.0
New York								
In-School	1,561	43.2	41.7	2.7	0.0	0.3	12.1	100.0
Out-of-School	10	11.1	33.3	11.1	0.0	0.0	44.5	100.0
Philadelphia								
In-School	663	72.2	10.4	2.1	0.3	0.0	15.0	100.0
Out-of-School	14	35.7	14.3	7.1	0.0	0.0	42.9	100.0
Steuben County								
In-School	293	53.0	34.3	1.0	2.1	4.8	4.8	100.0
Out-of-School	65	11.0	58.1	4.8	3.2	12.9	9.7	100.0
Syracuse								
In-School	1,795	80.9	10.4	0.4	3.8	0.2	4.3	100.0
Out-of-School	57	25.0	28.6	5.3	12.5	0.0	28.6	100.0
Total Tier II								
In-School	8,736	69.6	17.8	3.7	1.3	0.7	6.9	100.0
Out-of-School	376	41.1	27.0	6.5	3.5	4.3	17.6	100.0

SOURCE and NOTES: Refer to Table B.6.

PERCENT OF ALL IN-SCHOOL AND DROPOUT YOUTHS ENROLLED IN THE ENTITLEMENT DEMONSTRATION WHO ENROLLED EACH MONTH



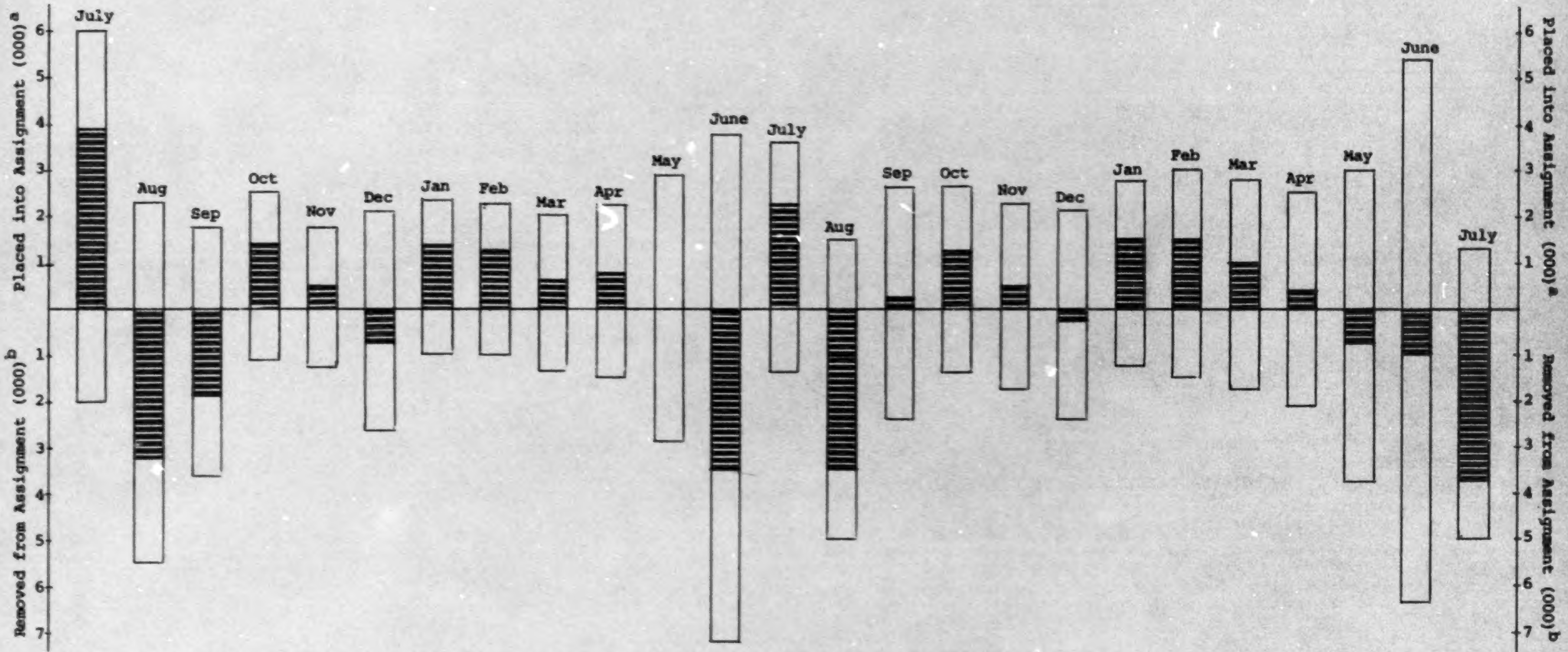
SOURCE: Tabulations of Enrollment forms in the Youth Entitlement Demonstration Information System.

NOTES: A "dropout" is a youth who was not enrolled in a high school or equivalency degree program in the semester prior to enrollment in the Entitlement Demonstration.

"- - - - -" lines represent dropouts. "________" lines represent in-school youths.

CHART B-3

CHANGE IN THE NUMBER OF ASSIGNED YOUTHS IN THE ENTITLEMENT DEMONSTRATION EACH MONTH, FROM JULY 1978 THROUGH JULY 1980



SOURCE: Tabulations of Status Change forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all status activity in the 17 sites of the Demonstration during the period from July 1978 through July 1980. The periods February - June 1978 and August 1980 are not shown, as they are periods of initial startup and demonstration closedown, respectively. Each bar shows the change in assignments during that particular month. The shaded area shows the net change in the number of assigned youths from the previous month. (There were 21,204 youths assigned at the end of June, 1978.)

[a] "Placed into Assignment" includes youths who were not assigned as of the end of the previous month, and who received their first job assignment, returned from termination, or were reassigned from a leave of absence during that particular month.

[b] "Removed from Assignment" includes youths who were assigned as of the end of the previous month, and who were terminated or went on leave of absence during that particular month.

TABLE B-7

CONTINUITY OF ACTIVE PARTICIPATION TIME IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY TIER AND NUMBER OF MONTHS ACTIVE

Number of Months Active[a]	Total Number of Participants	% Active During Entire Period	% With Interruptions in Active Time[b]	
			Each Less Than 30 Days Long	At Least One 30 Days or Longer
Tier I				
1 - 6 Months	28,996	94.9	2.2	2.9
7 - 12 Months	16,536	81.0	4.5	14.5
13 - 18 Months	12,047	64.0	5.6	30.4
19 - 24 Months	5,878	52.8	5.6	41.6
25+ Months	3,723	49.4	4.1	46.5
Total	67,180	79.7	3.8	16.5
Tier II				
1 - 6 Months	4,241	95.7	2.2	2.1
7 - 12 Months	2,309	83.0	4.7	12.3
13 - 18 Months	1,344	65.3	7.3	27.4
19 - 24 Months	607	50.9	7.6	41.5
25+ Months	353	41.9	7.9	50.2
Total	8,854	82.6	4.2	13.2
Total Demonstration				
1 - 6 Months	33,237	95.0	2.2	2.8
7 - 12 Months	18,845	81.3	4.5	14.2
13 - 18 Months	13,391	64.2	5.7	30.1
19 - 24 Months	6,485	52.7	5.7	41.6
25+ Months	4,076	48.7	4.4	46.9
Total	76,034	80.1	3.8	16.1

SOURCE: Tabulations of Status Change forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all activity in the 17 demonstration sites during the period from February 1978 through August 1980. Included in the table are some youths who began work and terminated on the same day.

[a] Active time is measured from the first date assigned to the last date assigned, and includes any time in hold or terminated status within that time span.

[b] Interruptions in active time are classified as "Hold's" (leaves of absence) or "Terminations", from which the participant returned to the program and was re-assigned to a job or training.

TABLE B-8

PARTICIPATION, BY AGE AT ENROLLMENT AND CURRENT EDUCATION STATUS

Age at Enrollment	Current Education Status[a]	Number of Participants	Average Weeks Active[b]	Percent Still Enrolled At End of Demonstration
15/16	In High School	41,441	46.7	36.2
	In GED	2,019	29.4	16.7
	Total[c]	43,974	45.8	35.4
17	In High School	17,176	37.9	17.8
	In GED	2,105	28.7	12.7
	Total	19,527	36.9	17.4
18	In High School	6,890	29.5	12.2
	In GED	1,968	27.5	8.9
	Total	9,046	29.0	11.6
19	In High School	1,980	22.5	10.7
	In GED	1,293	21.3	9.0
	Total	3,365	22.0	10.0
Total	In High School	67,487	42.0	28.3
	In GED	7,385	27.3	12.2
	Total	75,912	40.5	26.8

SOURCE: Tabulations of Enrollment and Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data include only those youths who had at least one day assigned to a job or training.

[a] Current Education Status reflects the school status at the time of enrollment in Entitlement.

[b] Active time is measured from the first date assigned to the last date assigned, and includes any time in hold or terminated status within that time span.

[c] Total numbers include some youths for whom no current education status was specified, and a small number of youths who enrolled in Entitlement during a short period of time when the requirement to be enrolled in school was waived.

TABLE B-9

SELECTED DESCRIPTORS OF PARTICIPATION, BY AGE AND DATE OF ENROLLMENT IN THE YOUTH ENTITLEMENT DEMONSTRATION

Age at Enrollment	Date of Enrollment	Number of Participants	Average Weeks Active[a]	Percent Still Enrolled at End of Demonstration
15/16 Years Old	January - June 1978	13,715	66.6	11.4
	July - December 1978	6,179	58.2	19.3
	January - June 1979	8,384	47.0	33.5
	July - December 1979	6,272	33.4	50.1
	January - June 1980	9,251	14.7	72.5
	July - August 1980	173	7.0	74.6
	Total	43,974	45.8	35.4
17 Years Old	January - June 1978	9,344	45.5	5.4
	July - December 1978	2,807	40.4	7.2
	January - June 1979	2,323	35.3	13.2
	July - December 1979	1,874	28.2	26.9
	January - June 1980	3,114	14.7	58.6
	July - August 1980	65	7.1	70.8
	Total	19,527	36.9	17.4
18 Years Old	January - June 1978	4,479	32.7	3.0
	July - December 1978	1,331	34.4	4.2
	January - June 1979	1,117	27.8	8.0
	July - December 1979	819	25.0	19.2
	January - June 1980	1,278	14.0	47.4
	July - August 1980	22	6.8	54.5
	Total	9,046	29.0	11.6
19 Years Old	January - June 1978	1,438	24.0	2.5
	July - December 1978	582	24.7	2.9
	January - June 1979	451	21.6	3.5
	July - December 1979	352	22.6	15.1
	January - June 1980	539	13.7	39.5
	July - August 1980	3	5.9	100.0
	Total	3,365	22.0	10.0
All Ages	January - June 1978	28,976	52.5	7.7
	July - December 1978	10,899	48.9	13.5
	January - June 1979	12,275	42.9	26.2
	July - December 1979	9,317	31.2	41.4
	January - June 1980	14,182	14.7	66.0
	July - August 1980	263	7.0	72.2
	Total	75,912	40.5	26.8

SOURCE: Tabulations of Enrollment and Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data include all youths who had at least one day assigned to a job or training.

[a] Active time is measured from the first date assigned to the last date assigned, and includes any time in hold or terminated status within that time span.

"All Ages" numbers include some youth with an "unknown" value for age.

TABLE B-10

STATUS OF ENTITLEMENT PARTICIPANTS AT THE END OF THE DEMONSTRATION, BY SITE

Site	Total Number of Participants	Percentage Distribution, by Status at End of Demonstration							
			Departed						
		Still Enrolled	Graduated High School	Other Ineligibility[a]	Dropped Out of School	Unsatis. School Performance[b]	Unsatis. Job/Program Performance[c]	Resigned	Other
TIER I									
Baltimore	17,114	30.6	21.6	4.0	10.6	5.5	15.9	8.7	3.1
Boston	9,796	27.7	21.6	6.2	6.6	2.3	8.7	20.2	6.8
Cincinnati	5,103	27.7	21.7	4.2	11.3	4.9	7.8	18.0	4.4
Denver	3,520	6.5	20.8	4.8	20.4	2.7	10.0	25.8	9.1
Detroit	12,260	36.0	16.9	3.9	14.8	1.6	12.6	5.2	8.9
King-Snohomish	6,444	21.2	17.2	5.2	12.7	0.3	3.6	30.2	9.6
Mississippi	12,957	17.6	33.6	4.1	14.3	2.1	4.7	9.5	14.1
Total Tier I	67,194	26.3	22.6	4.5	12.3	3.0	10.0	13.6	7.8
TIER II									
Alachua County	476	19.3	37.0	4.6	4.2	8.8	10.3	14.3	1.5
Albuquerque	1,569	33.5	24.0	6.0	17.1	0.3	5.9	8.0	5.4
Berkeley	1,277	24.0	34.0	8.1	3.7	0.9	4.6	10.9	13.9
Dayton	348	57.8	18.7	7.2	4.0	0.3	2.6	7.5	2.0
Hillsborough	327	11.6	28.7	8.0	19.3	0.6	2.1	22.9	6.7
Monterey	618	36.4	17.3	8.4	15.7	2.1	4.5	13.6	1.9
New York	1,514	40.4	28.2	6.2	4.6	2.1	6.1	9.0	3.4
Philadelphia	683	38.6	27.9	3.7	5.1	1.3	8.0	4.5	10.8
Steuben County	348	24.7	25.3	8.6	23.6	0.0	4.3	13.2	0.3
Syracuse	1,697	22.0	20.6	11.9	9.8	1.5	8.7	22.0	3.5
Total Tier II	8,857	30.7	26.1	7.6	9.7	1.6	6.3	12.5	5.6
TOTAL DEMONSTRATION	76,051	26.8	23.0	4.9	12.0	2.8	9.6	13.4	7.6

SOURCE: Tabulations of Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all youths enrolled and assigned to jobs in the 17 Demonstration sites during the period from March 1978 through August 1980. Percents may not add exactly to 100.0 because of rounding.

[a] "Other Ineligibility" refers to the Entitlement guidelines for age, economic disadvantage, residency, and school enrollment.

[b] Categories included in "school performance" are: poor attendance and failure to maintain passing grades, as defined by local standards.

[c] Categories included in "job/program performance" are: attendance at the job, work habits and behavior, and compliance with program requirements such as reverification of eligibility.

TABLE B-11

REASONS FOR RESIGNATIONS OF PARTICIPANTS FROM THE YOUTH ENTITLEMENT DEMONSTRATION, BY TIER

Reason for Resignation	Tier I		Tier II		Total	
	Number	Percent	Number	Percent	Number	Percent
Time Needed for School	2,138	23.5	311	28.2	2,449	24.0
Wanted Other Job	3,906	42.9	420	38.0	4,326	42.4
Unsatis. Work Arrangements	1,086	11.9	57	5.2	1,143	11.2
Transportation Problems	88	1.0	9	.8	97	1.0
Health Problems	217	2.4	26	2.4	243	2.4
Pregnancy	223	2.4	34	3.1	257	2.5
Family Care	96	1.1	19	1.7	115	1.1
Child Care (own children)	76	.8	10	.9	86	.8
Other	1,276	14.0	218	19.7	1,494	14.6
Total	9,106	100.0	1,104	100.0	10,210	100.0

SOURCE: Tabulations of Status forms in the Youth Entitlement Demonstrati-Demonstration Information System.

NOTES: The data include all youths who worked in an Entitlement job for at least one day during the period from March 1978 through August 1980, and who chose to leave the Demonstration prior to the end of August 1980.

TABLE B-12

DAYS ELAPSED BETWEEN ENROLLMENT AND INITIAL ASSIGNMENT OF YOUTHS TO JOB OR TRAINING, BY SITE AND MONTH OF ENROLLMENT

TIER I

	Month of Enrollment								
Site	Feb-Sep 1978	Oct-Dec 1978	Jan-Mar 1979	Apr-Jun 1979	Jul-Sep 1979	Oct-Dec 1979	Jan-Mar 1980	Apr-Jun 1980	Total
Baltimore									
Number of Youths Enrolled	8,882	1,405	1,128	1,366	1,042	1,142	1,527	1,272	17,764
% Never Assigned	3.7%	3.3%	7.1%	3.6%	2.0%	2.4%	2.8%	4.5%	3.7%
% Assigned Within 21 Days	16.5%	38.5%	23.1%	26.1%	36.1%	25.1%	28.4%	26.7%	22.9%
Average Days to First Assignment[a]	43.8	41.5	36.7	42.5	33.5	31.6	28.7	34.0	39.7
Boston									
Number of Youths Enrolled	5,576	843	1,120	895	808	700	669	684	11,295
% Never Assigned	12.1%	13.9%	18.4%	10.4%	16.8%	12.7%	14.1%	14.2%	13.3%
% Assigned Within 21 Days	5.1%	2.3%	5.9%	21.2%	24.6%	19.8%	3.5%	4.3%	8.4%
Average Days to First Assignment	77.6	90.0	70.1	44.3	36.5	42.8	48.4	32.7	65.7
Cincinnati									
Number of Youths Enrolled	2,814	398	451	468	335	284	303	579	5,632
% Never Assigned	8.9%	9.3%	9.3%	6.8%	9.9%	12.3%	10.6%	12.6%	9.5%
% Assigned Within 21 Days	12.4%	10.8%	21.3%	14.2%	30.5%	23.3%	36.2%	57.3%	20.5%
Average Days to First Assignment	60.3	59.5	48.6	46.6	46.7	48.3	35.6	21.9	51.5
Denver									
Number of Youths Enrolled	3.158	475	387	277	1	0	2	1	4,301
% Never Assigned	17.3%	21.1%	18.9%	22.7%	.0%	.0%	50.0%	100.0%	18.2%
% Assigned Within 21 Days	32.4%	52.5%	51.6%	54.2%	.0%	.0%	100.0%	.0%	37.6%
Average Days to First Assignment	42.1	29.4	22.7	30.6	228.0	.0	.0	.0	38.2
Detroit									
Number of Youths Enrolled	4,718	651	722	1,564	716	991	2,126	1,627	13,115
% Never Assigned	8.5%	12.6%	6.4%	4.0%	3.4%	5.1%	3.8%	6.7%	6.5%
% Assigned Within 21 Days	38.1%	33.2%	41.6%	84.4%	87.4%	86.7%	86.4%	84.8%	64.1%
Average Days to First Assignment	52.0	64.8	34.6	14.7	12.3	11.3	12.7	12.6	30.7
King-Snohomish									
Number of Youths Enrolled	2,685	439	388	629	487	579	649	1,052	6,908
% Never Assigned	4.9%	6.6%	7.7%	7.6%	9.2%	9.5%	6.9%	7.9%	6.7%
% Assigned Within 21 Days	88.3%	83.2%	85.8%	86.9%	91.4%	78.6%	83.4%	88.5%	86.7%
Average Days to First Assignment	11.5	16.1	11.0	9.6	6.7	13.7	11.0	7.1	10.7
Mississippi									
Number of Youths Enrolled	5,881	737	873	1,757	848	704	723	1,768	13,291
% Never Assigned	1.5%	3.5%	4.2%	2.4%	3.5%	3.7%	2.6%	4.0%	2.5%
% Assigned Within 21 Days	94.8%	89.2%	80.0	91.1	91.2%	86.3%	85.2%	95.5%	92.0%
Average Days to First Assignment	7.3	9.3	20.2	9.3	11.2	12.7	10.5	3.6	8.7

SOURCE: Tabulations of Enrollment and Status Change Forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all enrollments through June 1980 and status activity through August 1980.

[a] Average-days-to-first-assignment is calculated for only those youths who received an inital job or training assignment.

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TABLE B-13

DAYS ELAPSED BETWEEN ENROLLMENT AND INITIAL ASSIGNMENT OF YOUTHS TO JOB OR TRAINING, BY SITE AND MONTH OF ENROLLMENT

TIER II

	Month of Enrollment								
Site	Feb-Sep 1978	Oct-Dec 1978	Jan-Mar 1979	Apr-Jun 1979	Jul-Sep 1979	Oct-Dec 1979	Jan-Mar 1980	Apr-Jun 1980	Total
Alachua County									
Number of Youths Enrolled	251	26	37	23	34	41	40	25	477
% Never Assigned	.0%	.0%	.0%	.0%	.0%	2.4%	2.5%	.0%	.4%
% Assigned Within 21 Days	91.6%	76.1%	83.8%	82.6%	97.1%	100.0%	97.4%	92.0%	91.2%
Average Days to First Assignment[a]	16.6	13.3	40.2	21.8	7.2	12.3	11.8%	11.6	16.8
Albuquerque									
Number of Youths Enrolled	532	51	109	88	86	137	438	159	1,600
% Never Assigned	1.7%	3.9%	.0%	1.1%	1.2%	1.5%	3.4%	1.3%	2.0%
% Assigned Within 21 Days	90.6%	85.7%	94.5%	95.4%	96.5%	54.1%	95.0%	92.4%	85.5%
Average Days to First Assignment	13.4	14.6	11.1	6.0	5.0	18.2	7.3	6.6	10.5
Berkeley									
Number of Youths Enrolled	661	121	93	99	65	71	83	181	1,374
% Never Assigned	7.9%	9.1%	15.1%	7.1%	7.7%	1.4%	3.6%	2.2%	7.1%
% Assigned Within 21 Days	39.4%	20.0%	15.2%	56.5%	51.7%	38.6%	70.0%	67.2%	43.8%
Average Days to First Assignment	37.7	43.9	50.5	32.5	30.5	35.3	22.4	18.5	34.8
Dayton									
Number of Youths Enrolled	52	10	5	4	1	94	124	66	356
% Never Assigned	.0%	.0%	.0%	.0%	.0%	1.1%	3.2%	4.5%	2.2%
% Assigned Within 21 Days	67.3%	60.0%	60.0%	75.0	100.0%	29.0%	82.5%	49.2%	58.9%
Average Days to First Assignment	18.0	26.4	85.2	16.5	21.0	30.5	13.3	23.2	21.8
Hillsborough									
Number of Youths Enrolled	130	26	25	22	31	45	42	12	333
% Never Assigned	.0%	.0%	.0%	4.5%	3.2%	2.2%	4.8%	8.3%	1.8%
% Assigned Within 21 Days	44.6%	65.4%	68.0%	66.7%	83.3%	50.0%	65.0%	72.7%	57.2%
Average Days to First Assignment	28.6	28.5	19.7	19.4	13.8	24.9	19.9	12.4	23.8
Monterey									
Number of Youths Enrolled	198	35	24	19	17	133	70	181	677
% Never Assigned	10.6	.0%	4.2%	5.3%	11.8%	6.8%	12.9%	8.8%	8.7%
% Assigned Within 21 Days	63.3%	85.7%	73.9%	83.3%	73.3%	63.7%	75.4%	83.0%	72.3%
Average Days to First Assignment	32.3	13.6	16.9	9.7	14.8	24.4	15.9	10.6	20.7
New York									
Number of Youths Enrolled	482	181	104	109	110	82	93	430	1,591
% Never Assigned	3.9%	3.3%	3.8%	1.8%	3.6%	2.4%	4.3	10.7%	5.5%
% Assigned Within 21 Days	79.5%	80.6%	31.0%	20.6%	42.5%	8.8%	25.8%	65.4%	59.0%
Average Days to First Assignment	18.0	18.6	43.0	46.5	33.4	48.9	29.8	18.3	25.1
Philadelphia									
Number of Youths Enrolled	247	31	45	27	21	116	132	65	684
% Never Assigned	.4%	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.1%
% Assigned Within 21 Days	98.4%	90.3%	100.0%	100.0%	100.0%	100.0%	100.0%	98.5%	98.8%
Average Days to First Assignment	1.3	5.4	3.7	2.1	.5	.3	.8	1.7	1.4
Steuben County									
Number of Youths Enrolled	152	38	23	39	28	33	14	36	363
% Never Assigned	7.9%	2.6%	.0%	.0%	.0%	3.0%	7.1%	.0%	4.1%
% Assigned Within 21 Days	78.6%	100.0%	91.3%	92.3%	96.4%	90.6%	100.0%	86.1%	87.4%
Average Days to First Assignment	32.6	1.6	7.4	6.5	8.5	13.2	2.4	11.9	18.1
Syracuse									
Number of Youths Enrolled	917	142	119	214	69	108	107	134	1,810
% Never Assigned	6.7%	9.9%	7.6%	9.3%	18.8%	10.2%	11.2%	19.4%	9.2%
% Assigned Within 21 Days	29.8%	25.0%	19.1%	11.9%	35.7%	15.5%	15,8%	11.1%	23.9%
Average Days to First Assignment	40.5	52.4	38.5	53.0	32.8	36.7	32.7	37.9	41.6

SOURCE and NOTES: Refer to Table B.15.

TABLE B-14

ANALYSIS OF JOB AND TRAINING ACTIVITY IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY SITE

Site	Total Hours Recorded (000)[a]	Percentage Distribution of Job Hours, By Type of Work Sponsor[b]					Percent of Job Hours at Above-Minimum Wage	Percent of All Hours Designated as Training
		Public Education Institutions	Other Public Agencies	Private For-Profit Companies	Non-Profit Organizations[c]	Total		
TIER I								
Baltimore	10,755.	17.9	42.9	14.1	25.1	100.0	0.0	0.1
Boston	7,446.	4.2	34.8	20.2	40.8	100.0	0.9	0.0
Cincinnati	3,037.	20.6	12.9	13.8	52.7	100.0	0.0	1.2
Denver	2,148.	8.7	31.7	27.9	31.7	100.0	0.0	0.0
Detroit	5,692.	24.8	14.3	39.8	21.1	100.0	0.0	2.9
King-Snohomish	2,987.	32.7	28.9	8.4	29.9	100.0	9.5	0.8
Mississippi	8,776.	41.3	34.4	12.4	11.9	100.0	0.0	0.4
Total Tier I	40,841.	22.2	31.9	18.6	27.3	100.0	0.9	1.0
TIER II								
Alachua County	260.	49.4	44.6	5.4	0.6	100.0	0.0	2.4
Albuquerque	637.	44.7	45.3	1.3	8.7	100.0	0.0	0.0
Berkeley	825.	36.9	28.5	2.6	32.0	100.0	0.0	0.3
Dayton	155.	25.1	27.1	1.8	46.0	100.0	1.2	0.0
Hillsborough	198.	0.6	3.9	63.3	32.2	100.0	52.5	1.0
Monterey	289.	16.4	15.6	63.4	4.6	100.0	0.0	1.2
New York	772.	0.9	14.0	37.6	47.5	100.0	0.0	0.0
Philadelphia	350.	1.0	6.2	55.2	37.6	100.0	0.0	4.8
Steuben County	186.	12.7	84.1	0.0	3.2	100.0	0.0	0.0
Syracuse	786.	14.6	24.5	24.6	36.3	100.0	0.3	3.2
Total Tier II	4,458.	21.5	27.3	23.0	28.2	100.0	2.4	1.3
TOTAL DEMONSTRATION	45,299.	22.1	31.4	19.1	27.4	100.0	1.0	0.7

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job and training activity during the period from March 1978 through August 1980.

[a] Total Hours includes both job and training hours.

[b] A "work sponsor" is an organization/company/agency where youths are placed (employed) while in the Demonstration.

[c] Non-profit organizations include private and parochial schools, as well as community organizations.

TABLE B-15

AVERAGE NUMBER OF ENTITLEMENT YOUTHS ASSIGNED PER SPONSOR, BY SECTOR OF WORK SPONSOR

TIER I

Time Period	Sector	Baltimore	Boston	Cinn.	Denver	Detroit	King-Snohomish	Miss.	Total Tier I
End of July	Public Education	23.9	2.7	1.9	2.4	8.4	3.4	8.3	6.4
1978	Other Public	26.1	4.5	3.6	3.1	5.5	2.6	4.3	5.9
	For-Profit	3.5	2.1	1.4	1.7	3.0	1.9	1.3	2.5
(full-time)	Non-Profit[a]	6.5	3.2	3.2	2.7	3.1	2.0	5.5	3.5
End of July	Public Education	12.7	2.0	2.1	2.1	4.3	2.5	9.0	5.0
1979	Other Public	15.2	4.3	2.3	2.4	4.2	2.1	3.7	4.5
	For-Profit	2.7	1.7	1.7	1.5	2.1	1.2	1.5	1.9
(full-time)	Non-Profit	5.4	3.0	3.3	2.2	2.4	1.7	4.4	3.3
End of July	Public Education	17.6	2.1	3.0	1.2	3.9	3.0	8.7	5.5
1980	Other Public	17.4	4.0	3.3	1.8	2.5	1.8	3.5	4.5
	For-Profit	3.0	1.9	1.7	1.2	2.3	1.3	1.4	2.0
(full-time)	Non-Profit	4.0	3.0	2.7	1.5	2.6	1.6	4.5	2.9
End of Oct.	Public Education	15.7	1.9	2.0	2.4	4.4	3.3	8.3	5.5
1978	Other Public	20.1	3.7	2.5	2.7	2.9	1.9	3.0	4.8
	For-Profit	2.4	1.7	1.8	1.5	2.5	1.4	1.4	1.8
(part-time)	Non-Profit	5.6	2.6	3.3	2.6	1.7	1.8	4.3	3.2
End of Oct.	Public Education	12.6	2.0	2.0	1.8	4.4	2.7	8.7	5.4
1979	Other Public	15.4	3.9	2.4	1.2	1.2	1.6	3.0	4.5
	For-Profit	2.9	1.7	1.6	1.4	2.1	1.1	1.5	1.9
(part-time)	Non-Profit	5.2	3.0	2.7	2.0	2.4	1.4	3.4	3.1

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job activity during the last pay period of July (1978,1979,1980) and October (1978,1979). July and October were selected as typical months of full-time and part-time activity.

[a] "Non-profit" sponsors include private and parochial schools as well as community organizations.

TABLE B-16

AVERAGE NUMBER OF ENTITLEMENT YOUTHS ASSIGNED PER SPONSOR, BY SECTOR OF WORK SPONSOR

TIER II

Time Period	Sector	Alachua County	Albuquerque	Berkeley	Dayton	Hillsborough	Monterey	New York	Philadelphia	Steuben County	Syracuse	Total Tier II
End of July	Public Education	9.0	8.3	5.1	2.5	1.0	1.3	1.0	2.0	-	16.7	6.7
1978	Other Public	3.9	9.1	4.3	2.0	1.0	1.1	18.3	3.0	26.0	3.9	5.1
	For-Profit	1.4	-	1.0	-	1.2	1.2	1.7	1.7	-	1.7	1.5
(full-time)	Non-Profit[a]	-	1.7	1.8	2.4	1.6	-	4.9	1.7	-	2.8	2.6
End of July	Public Education	3.9	5.7	5.4	1.5	-	1.7	1.0	3.0	5.0	8.5	4.9
1979	Other Public	3.3	5.5	6.7	1.0	1.0	1.6	6.6	2.0	29.3	2.5	5.0
	For-Profit	1.5	-	1.7	1.0	1.2	1.3	1.9	1.8	-	2.1	1.8
(full-time)	Non-Profit	1.0	2.5	1.9	1.7	1.2	1.7	3.7	1.9	1.0	2.1	2.3
End of July	Public Education	2.9	6.4	5.1	13.5	1.0	1.4	-	1.0	2.6	8.4	5.2
1980	Other Public	2.0	5.1	3.8	9.2	1.0	1.9	6.0	1.8	5.7	2.4	3.8
	For-Profit	-	3.0	2.2	-	1.2	1.3	1.7	1.8	-	1.4	1.6
(full-time)	Non-Profit	1.0	1.6	1.7	3.7	1.5	1.3	2.4	1.9	2.0	2.3	2.2
End of Oct.	Public Education	5.8	3.5	4.1	2.0	-	1.8	1.3	-	4.5	4.0	3.8
1978	Other Public	3.4	3.8	5.5	1.7	1.0	1.1	18.8	1.8	19.8	1.9	4.2
	For-Profit	1.4	-	1.2	1.0	1.2	1.1	1.8	1.7	-	1.6	1.5
(part-time)	Non-Profit	-	2.4	1.5	2.2	1.2	-	3.5	1.8	-	1.9	2.0
End of Oct.	Public Education	4.4	4.7	6.1	1.0	-	3.7	-	1.0	7.0	7.1	5.1
1979	Other Public	3.0	5.1	5.7	-	1.0	1.2	3.1	2.3	23.0	2.6	4.1
	For-Profit	1.3	-	1.5	-	1.2	1.7	2.0	1.6	-	1.6	1.7
(part-time)	Non-Profit	1.0	2.6	1.9	2.0	1.5	1.3	2.5	2.8	-	2.2	2.2

SOURCE and NOTES: Refer to Table B.18.

TABLE B-17

WORK SPONSORS PARTICIPATING IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY SECTOR AND FIRST MONTH OF PARTICIPATION

TIER I

Site and Sector	First Month of Participation			
	Startup Through August, 1978	September, 1978 Through August, 1979	September, 1979 Through August, 1980	Total
Baltimore				
Public Sector	74	33	49	156
Non-Profit[a]	109	65	62	236
Private Sector	186	266	251	703
Boston				
Public Sector	168	86	38	292
Non-Profit	198	138	72	408
Private Sector	188	264	239	691
Cincinnati				
Public Sector	187	71	25	283
Non-Profit	183	77	30	290
Private Sector	68	117	75	260
Denver				
Public Sector	151	49	10	210
Non-Profit	100	35	8	143
Private Sector	314	177	24	515
Detroit				
Public Sector	111	71	185	367
Non-Profit	111	106	94	311
Private Sector	277	383	509	1,169
King-Snohomish				
Public Sector	192	45	28	265
Non-Profit	240	138	66	444
Private Sector	19	156	356	531
Mississippi				
Public Sector	383	76	54	513
Non-Profit	63	22	20	105
Private Sector	100	694	335	1,129

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job activity in the Entitlement sites during the period from March 1978 through August 1980. A work sponsor is an organization/company/agency where youths are placed (employed) while in the Entitlement Demonstration.

[a] Non-profit sponsors include private and parochial schools as well as community organizations.

TABLE B-18

WORK SPONSORS PARTICIPATING IN THE YOUTH ENTITLEMENT DEMONSTRATION, BY SECTOR AND FIRST MONTH OF PARTICIPATION

TIER II

Site and Sector	First Month of Participation			
	Startup Through August, 1978	September, 1978 Through August, 1979	September, 1979 Through August, 1980	Total
Alachua County				
Public Sector	12	4	6	22
Non-Profit[a]	0	1	4	5
Private Sector	18	1	7	26
Albuquerque				
Public Sector	11	4	6	21
Non-Profit	5	5	26	36
Private Sector	0	0	27	27
Berkeley				
Public Sector	11	8	9	28
Non-Profit	73	30	25	128
Private Sector	7	3	18	28
Dayton				
Public Sector	4	1	0	5
Non-Profit	5	6	14	25
Private Sector	1	3	1	5
Hillsborough				
Public Sector	8	1	3	12
Non-Profit	14	6	7	27
Private Sector	35	32	44	111
Monterey				
Public Sector	26	8	37	71
Non-Profit	0	4	17	21
Private Sector	74	27	116	217
New York				
Public Sector	3	10	25	38
Non-Profit	27	30	82	139
Private Sector	59	102	62	223
Philadelphia				
Public Sector	3	1	2	6
Non-Profit	20	10	50	80
Private Sector	57	28	112	197
Steuben County				
Public Sector	2	4	12	18
Non-Profit	2	1	1	4
Private Sector	0	0	0	0
Syracuse				
Public Sector	40	6	7	53
Non-Profit	54	14	9	77
Private Sector	78	22	27	127

SOURCE and NOTES: Refer to Table B.20.

TABLE B-19

YOUTHS EVER ASSIGNED TO PRIVATE-SECTOR WORKSITES IN THE ENTITLEMENT DEMONSTRATION, BY SITE

Site	Total Youths Assigned	Number Assigned to the Private Sector	Percent Assigned to the Private Sector
TIER I			
Baltimore	17,114	3,988	23.3
Boston	9,796	2,860	29.2
Cincinnati	5,103	1,082	21.2
Denver	3,520	1,390	39.5
Detroit	12,260	7,053	57.5
King-Snohomish	6,444	917	14.2
Mississippi	12,957	3,034	23.4
TOTAL TIER I	67,194	20,324	30.2
TIER II			
Alachua County	476	46	9.7
Albuquerque	1,569	33	2.1
Berkeley	1,277	69	5.4
Dayton	348	15	4.3
Hillsborough	327	235	71.9
Monterey	618	428	69.3
New York	1,514	721	47.6
Philadelphia	683	512	75.0
Steuben County	348	0	0.0
Syracuse	1,697	685	40.4
TOTAL TIER II	8,857	2,744	31.0
TOTAL DEMONSTRATION	76,051	23,068	30.3

SOURCE: Tabulations of Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data include all youths who were assigned to a job while enrolled in the demonstration, from February 1978 through August 1980.

TABLE B-20

YOUTHS EVER ASSIGNED TO PRIVATE-SECTOR WORKSITES IN THE ENTITLEMENT DEMONSTRATION

Item	Tier I	Tier II	Total Demonstration
Total Number of Youths Assigned to Jobs	67,194	8,857	76,051
Youths Assigned to Private-Sector Worksites at Some Time[a]			
Number	20,324	2,744	23,068
% of All Assigned Youths	30.2	31.0	30.3
Youths Who Worked Only in the Private Sector			
Number	8,243	1,027	9,270
% of All Assigned Youths	12.3	11.6	12.2
% of Youths With Any Private-Sector Experience	40.6	37.4	40.2

SOURCE: Tabulations of Status forms in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job assignments in the 17 Entitlement sites during the period from March 1978 through August 1980.

[a] Since a youth could receive more than one job assignment during his/her participation, he/she may also have worked in more than one sector.

TABLE B-21

DISTRIBUTION OF ENTITLEMENT JOB HOURS WORKED IN THE PRIVATE SECTOR, BY SPONSOR INDUSTRY

Site	Total Job Hours Worked in the Private Sector	Percentage Distribution, by Sponsor Industry							
		Agriculture, Forestry, Fishing	Construction	Manufacturing	Transportation, Communication, Utilities	Wholesale and Retail Trade	Finance, Insurance, Real Estate	Services	Total
TIER I									
Baltimore	1,518,076	0.2	0.6	6.4	2.1	48.3	5.3	37.1	100.0
Boston	1,503,484	0.1	3.0	7.2	1.3	46.9	16.1	25.1	100.0
Cincinnati	413,557	0.5	0.7	10.2	1.4	46.3	5.8	35.2	100.0
Denver	597,761	1.4	4.8	16.8	5.1	31.1	6.1	34.3	100.0
Detroit	2,197,237	0.6	0.7	6.2	2.0	52.9	4.3	33.3	100.0
King-Snohomish	249,254	2.7	3.2	20.1	1.3	34.6	4.2	33.7	100.0
Mississippi	1,088,392	8.2	1.4	3.5	0.4	71.3	2.0	13.1	100.0
Total Tier I	7,567,761	1.7	1.7	7.6	1.8	50.7	6.7	29.7	100.0
TIER II									
Alachua County	13,750	1.5	0.0	5.1	5.5	54.4	4.2	29.3	100.0
Albuquerque	8,214	0.0	4.6	10.3	0.0	26.6	10.8	47.7	100.0
Berkeley	21,283	0.0	0.0	9.7	10.0	28.5	15.7	36.1	100.0
Dayton	2,854	0.0	7.1	25.6	0.0	67.3	0.0	0.0	100.0
Hillsborough	124,133	0.1	5.8	60.6	0.1	17.3	0.8	15.2	100.0
Monterey	180,996	0.6	1.2	3.7	0.8	66.1	1.7	25.8	100.0
New York	290,393	0.0	0.0	2.3	0.2	59.5	6.7	31.2	100.0
Philadelphia	184,020	0.0	0.2	34.7	10.1	32.6	12.8	9.6	100.0
Steuben County	0[a]								
Syracuse	187,463	0.0	1.2	8.8	2.4	48.9	11.1	27.6	100.0
Total Tier II	1,013,106	0.1	1.3	17.1	2.8	47.2	7.1	23.5	100.0
TOTAL DEMONSTRATION	8,580,867	1.5	1.6	8.7	1.9	50.3	6.8	29.0	100.0

SOURCE: Tabulations of Monthly Performance Reports in the Youth Entitlement Demonstration Information System.

NOTES: The data cover all reported job activity for Entitlement work sponsors (employers) in the private, for-profit sector during the period from March 1978 through August 1980. Industrial categories are based on the divisional groupings of the Standard Industrial Classification Manual (SIC), published by the Executive Office of the President, Office of Management and Budget, 1972.

Percentage distributions may not add exactly to 100.0 because of a small number of hours in other industries (.2%).

[a] Steuben County had no private-sector work activity.

TABLE B-22

VARIABLES USED IN THE JOB QUALITY INDICES

Index	Variables
Supervisor-Youth Interaction Characteristics	1. Supervisor had experience doing tasks required of youth.
	2. Supervisor had experience teaching tasks required of youth.
	3. Supervisor staff works in close proximity to youth.
	4. Supervisor speaks frequently with youth (general statement).
	5. Supervisor speaks with youth about tasks (general statement).
	6. Supervisor speaks with youth informally (general statement).
	7. Supervisor states he speaks with youth about tasks.
	8. Supervisor states he speaks with youth informally.
	9. Youths state they speak with supervisor about tasks.
	10. Youths state they speak with supervisor informally.
	11. Staff usually available to answer youth's questions.
	12. Youths feel supervisor helps them do better job.
	13. Worksite assessor judges quality of youth-supervisor interaction to be above average.
Youth-Perceived Job Values	1. Youths believe they will obtain future job reference.
	2. Youths believe they are learning skills at job.
	3. Youths believe job will help in obtaining future jobs.
	4. Youths believe work is of value to employer.
Sponsor-Perceived Job Values	1. Youth's work is by nature congruent with the mission of the sponsor.
	2. Amount or quality of youth's work is valuable.
	3. Effectiveness of the sponsor is increased due to youth's work.
Selected Positive Characteristics	1. Job requires mental skills.
	2. Youth assigned increased responsibility over time.
	3. Youth informed of attendance and performance standards.
	4. Youth busy, according to assessor.
	5. Youth understands duties.
	6. Participant-to-supervisor ratio is less than five.
	7. Supervisor and youth interact frequently.
	8. Assessor judges quality of supervisor-youth interaction average or above average.
	9. Youths believe they are learning skills.
	10. Youths believe job will help get future jobs.
	11. Youths find job acceptable or more than acceptable.
	12. Work congruent with sponsoring agency's overall mission.
	13. Output of value to the agency.
	14. Agency output increased as a result of youth's work

TABLE B-23

SCHOOL ACADEMIC AND ATTENDANCE STANDARDS IN THE YOUTH ENTITLEMENT DEMONSTRATION SITES

TIER I

Site	School Standards	
	Academic	Attendance
BALTIMORE	H.S.: 60 average GED: satisfactory progress	H.S.: no more than 4 unexcused absences per month GED: (none recorded)
BOSTON	H.S.: passing grades GED: satisfactory progress	H.S.: no more than 25% unexcused absences GED: (none recorded)
CINCINNATI	H.S.: "D" average GED: satisfactory progress	H.S.: no more than 25% unexcused absences GED: (none recorded)
DENVER	H.S.: satisfactory performance in at least 2 out of 3 subjects GED: satisfactory progress	H.S.: no more than 5 unexcused absences per semester GED: (none recorded)
DETROIT	H.S.: passing grades in 3 subjects GED: satisfactory progress	H.S.: no more than 5 unexcused absences per semester GED: (none recorded)
KING-SNOHOMISH	H.S.: passing grades in one subject ("D" average) GED: passing grades in 2 subjects	H.S.: varies with each district GED: (none recorded)
MISSISSIPPI	H.S.: passing at least 2 subjects (committee review of individual cases) GED: satisfactory progress	H.S.: varies with each district GED: no more than 5 hours of unexcused absence from class per month

SOURCE: Budget extension proposals for the 1979-80 Entitlement year.

NOTES: The standards shown represent levels of performance and attendance required of youths in the Entitlement Demonstration. They do not necessarily correspond to the standards for satisfactory performance applicable to all school youths.

TABLE B-24

SCHOOL ACADEMIC AND ATTENDANCE STANDARDS IN THE YOUTH ENTITLEMENT DEMONSTRATION SITES

TIER II

	School Standards	
Site	Academic	Attendance
ALACHUA COUNTY	H.S.: "D" in at least 4 subjects GED: satisfactory progress	H.S.: Hawthorne: no more than 15 unexcused absences per semester Eastside: no more than 5 unexcused absences per grading period GED: (none recorded)
ALBUQUERQUE	H.S.: passing grades in three subjects GED: satisfactory progress	H.S.: no more than 5 unexcused absences per quarter GED: (none recorded)
BERKELEY	H.S.: "C" average GED: satisfactory progress	H.S.: more than 3 unexcused absences in a 6-week period results in a conference with counselor GED: (none recorded)
DAYTON	H.S.: passing grades in 4 of 5 subjects GED: satisfactory progress	H.S.: no more than 15% unexcused absences GED: 75% attendance
HILLSBOROUGH	H.S.: (none recorded) GED: satisfactory progress	H.S.: no more than 7 absences per semester GED: (none recorded)
MONTEREY	H.S.: passing grades in 4 subjects GED: satisfactory progress	H.S.: no more than 2 unexcused absences per semester GED: must attend at least 4 hours per week
NEW YORK	H.S.: 65 average in at least 2 subjects GED: satisfactory progress	H.S.: no more than 5 consecutive unexcused absences; no more than 3 discrepancies between school and work attendance GED: (none recorded)
PHILADELPHIA	H.S.: "D" average GED: satisfactory progress	H.S.: no more than 8 absences for report period GED: (none recorded)
STEUBEN COUNTY	H.S.: 65 average GED: satisfactory progress	H.S.: absence from school means absence from work GED: must attend at least 6 hours per week
SYRACUSE	H.S.: passing grades in 80% of courses GED: satisfactory progress	H.S.: 80% attendance GED: (none recorded)

SOURCE and NOTES: Refer to Table B.26.

TABLE B-25

AVERAGE COST PER SERVICE YEAR, FOR THE YEARS BEGINNING SEPTEMBER 1, 1978 AND 1979, BY SITE

Site	Average Cost Per Service Year	
	9/1/78-8/31/79	8/1/79-8/31/80
Tier I		
Baltimore	$ 3,463	$ 4,012
Boston	4,735	4,973
Cincinnati	3,979	4,029
Denver	5,170	6,128
Detroit	3,293	3,929
King-Snohomish	4,060	4,183
Mississippi	3,976	5,435
Total Tier I	3,942	4,430
Tier II		
Alachua County	$ 5,510	$ 4,752
Albuquerque	2,724	3,580
Berkeley	4,094	4,396
Dayton	5,412	3,855
Hillsborough	4,688	5,116
Monterey	5,066	4,354
New York	2,959	4,661
Philadelphia	4,752	3,894
Steuben County	5,449	5,335
Syracuse	3,413	3,469
Total Tier II	3,793	4,077
Total Demonstration	$ 3,927	$ 4,382

Source: Tabulations from Status forms in the Youth Entitlement Demonstration Information System and from Combined Operating Reports.

NOTES: Cost-per-service-year is calculated by dividing total costs during each program "semester" by the average monthly participation level during that semester, and summing the results. (For a definition of "semester", refer to text Table VI-4.)

[a] The average cost-per-service-year for the year beginning September 1, 1978 shown above is $822 lower than the "full-year cost-per-participant" estimated for a similar period in the Second Implementation Report. The figures presented in that Report were calculated for a 52 week year (including 8 weeks of summer participation); figures in this report reflect the actual number of full-time and part-time weeks worked in a site, which generally summed to fewer than 52 weeks per year.

TABLE B-25

COST-PER-HOURS-WORKED FOR YOUTHS PARTICIPATING IN THE ENTITLEMENT DEMONSTRATION, BY SITE AND TIME PERIOD

Site	March 1978 Through May 1978	June 1978 Through Aug. 1978	Sept. 1978 Through Dec. 1978	Jan. 1979 Through May 1979	June 1979 Through Aug. 1979	Sept. 1979 Through Dec. 1979	Jan. 1980 Through May 1980	June 1980 Through Aug. 1980	Total Demonstration
Baltimore	4.59	3.64	4.64	4.91	4.43	5.47	5.35	5.17	4.77
Boston	10.42	4.45	5.39	5.68	4.09	5.69	4.90	4.44	4.95
Cincinnati	71.03	3.63	5.16	5.98	4.04	5.36	5.60	4.46	4.97
Denver	11.73	3.91	5.99	5.90	3.98	4.43	5.44	6.14	5.11
Detroit	9.20	3.45	6.33	4.95	4.59	5.34	5.41	4.54	4.82
King-Snohomish	24.24	4.31	7.52	5.29	4.42	5.86	4.76	4.65	4.98
Mississippi	3.73	4.20	4.38	4.27	4.00	4.66	4.71	4.42	4.36
TOTAL TIER I	5.86	3.93	5.11	5.13	4.23	5.26	5.10	4.66	4.89
Alachua County	4.44	3.37	5.18	4.72	4.32	5.19	5.07	4.37	4.51
Albuquerque	3.92	3.21	5.16	3.94	4.28	5.95	5.05	4.50	4.58
Berkeley	56.65	3.58	5.81	5.47	4.47	6.53	6.64	5.78	5.37
Dayton	27.78	4.72	10.94	7.91	6.69	6.84	4.13	3.97	5.00
Hillsborough	77.54	4.57	5.95	5.58	4.53	5.50	4.90	5.26	5.23
Monterey	16.31	4.20	5.27	5.84	4.90	5.98	5.52	5.83	5.53
New York	8.25	3.79	7.77	5.36	3.89	5.09	5.59	4.57	4.95
Philadelphia	9.39	4.52	8.24	6.82	4.50	6.40	4.85	4.85	5.45
Steuben County	24.34	7.16	7.34	7.24	4.85	6.91	6.41	5.75	6.71
Syracuse	5.71	3.83	6.17	5.74	4.57	5.34	5.87	6.13	5.18
TOTAL TIER II	7.31	3.86	6.20	5.44	4.41	5.76	5.45	4.97	5.14
TOTAL DEMONSTRATION	6.00	3.93	5.20	5.16	4.25	5.31	5.14	4.70	4.92

SOURCE: Site Combined Operating Reports.

NOTES: The minimum wage was uniformly paid in all sites except Boston, King-Snohomish, Dayton, Hillsborough, and Syracuse, with only King-Snohomish (9.5%) and Hillsborough (52.5%) paying more than 2% of their total job hours at greater than the minimum wage.

Since youths tended to work fewer hours in Tier II sites than in Tier I sites, cost-per-hour in those sites was generally higher (cost-per-participant and cost-per-service-year were generally lower). Cost figures are not adjusted for inflation.

TABLE B-27

COMPARISON OF THE COST-PER-SERVICE-YEAR OF FEDERAL YOUTH EMPLOYMENT AND TRAINING PROGRAMS, FOR FY 1981

Program	Costs Prepared By	
	Department of Labor/ MDRC	Congressional Budget Office
Youth Incentive Entitlement Pilot Project (YIEPP)	$ 4,759[a]	$ 6,592
Youth Employment and Training Program (YETP)	4,500	5,307
Youth Community Conservation and Improvement Projects (YCCIP)	8,950	9,550
Young Adult Conservation Corps (YACC)	12,063	12,652
Job Corps	13,193	13,383
Summer Youth Employment Program (SYEP)	956[b]	5,132[b]

SOURCE: DOL/MDRC cost estimates for YETP, YCCIP, YACC, Job Corps and SYEP were prepared by the Employment and Training Administration, U.S. Department of Labor for use in preparation of 1982 budget requests. Costs for YIEPP were calculated by MDRC from Status forms and Combined Operating Reports. Congressional Budget Office estimates were published in Youth Employment and Education: Possible Federal Approaches, July, 1980.

NOTES: All DOL/MDRC costs reflect the average intensity of work per slot, but the exact methods used to produce Labor Department estimates probably differ slightly from those used to calculate YIEPP costs.

Congressional Budget Office estimates for YETP, YCCIP, YACC, Job Corps and SYEP were based on 1980 Labor Department estimates of cost-per-service-year. The estimate for YIEPP was based on the cost of a slot filled for 20 hous per week during a 44-week part-time work period and 40 hours per week for an 8-week summer full-time work period.

[a] This is the $4,382 cost figure for FY 1980 (Table VI-4) increased by 9.6%, the average increase in cost-per-service-year for DOL programs between FY 1980 and FY 1981.

[b] The Department of Labor cost-per-service-year for SYEP is for a period of 8-10 weeks per year. The Congressional Budget Office annualized summer costs for a hypothetical full year of operation.

APPENDIX C

METHODOLOGICAL APPENDIX FOR LENGTH OF STAY AND TERMINATION ANALYSES

This appendix describes the samples and regression models used to predict the average length of stay for YIEPP participants and the percent of youths who terminated for different reasons as presented in Chapter II. These analyses were based on data from a sample of enrollee records in the Entitlement Information System (EIS).

The samples used in these analyses were obtained by stratifying the universe of available participant records first by site and then by educational status prior to enrollment. A skip pattern was used to select the sample cases in each stratum, and random sampling was approximated by random sorting of these cases before the final selection. Sufficient cases were included to allow for meaningful comparisons between the sites and between the in-school and the out-of-school participants. All out-of-school Tier II youths were selected because of their small total number. The sample was distributed by site and educational status as shown in Table C-1.

The regression models used to estimate length of participation and the percent of youths who terminated for various reasons are shown in Tables C-2 and C-3. Separate models of length of stay were estimated for the in-school and the out-of-school participants because analysis of co-variance showed that these two groups differed somewhat in their behavior. Sample weights for these regressions were calculated so that the in-school sample was distributed by site in the same proportion as all demonstration in-school youths. The out-of-school sample was

TABLE C-1

NUMBER OF PARTICIPANTS IN THE SAMPLE USED FOR LENGTH-OF-STAY AND COST ANALYSES, BY SITE AND PRIOR EDUCATIONAL STATUS

Site	In-School	Out-of-School
Tier I		
Baltimore	300	300
Boston	300	300
Cincinnati	300	300
Denver	300	300
Detroit	300	300
King-Snohomish	300	300
Mississippi	300	300
Total Tier I	2,100	2,100
Tier II		
Alachua County	250	7
Albuquerque	247	75
Berkeley	250	33
Dayton	250	10
Hillsborough	250	55
Monterey	250	48
New York	250	10
Philadelphia	250	14
Steuben County	250	65
Syracuse	250	57
Total Tier II	2,497	374
Total Demonstration	4,597	2,474

SOURCE: Youth Entitlement Demonstration Information System.

NOTES: The universe from which this sample was drawn is the universe of all Entitlement enrollees. In Tier I, 300 in-school and out-of-school youths were randomly selected in each site. In Tier II, 250 in-school youths were randomly selected in each site; all out-of-school youths were included. In-school and out-of-school refer to the educational status of the youths in the school semester prior to ther enrollment in Entitlement. For purposes of sample selection, all youths who were not out-of-school were treated as in-school. Three Albuquerque observations were lost in data processing.

TABLE C-2

REGRESSION MODELS PREDICTING AVERAGE-DAYS-ACTIVE DURING THE YOUTH ENTITLEMENT DEMONSTRATION, BY PARTICIPANT CHARACTERISTICS AND PRIOR EDUCATIONAL STATUS

Variables	In-School	Out-of-School
Age at Enrollment[a]	- 38.75*** (10.28)	- 28.40*** (7.65)
Month of First Job Assignment	- 0.11 (0.08)	- 6.80*** (3.10)
Month of First Job Assignment, Squared	- 0.40*** (9.29)	- 0.07 (1.01)
Male	+ 5.04 (0.97)	- 22.43*** (3.02)
Ethnic Group:		
Black, Non-Hispanic	+ 7.74 (1.01)	+ 41.91*** (3.55)
Hispanic	+ 6.50 (0.43)	+ 21.78 (1.32)
Highest Grade Completed Prior to Enrollment:		
8 or Less	+122.49*** (11.06)	+ 13.44 (1.00)
9	+131.23*** (14.44)	+ 25.43** (2.00)
10	+101.87*** (12.68)	+ 4.09 (0.33)
Ever Dropped Out of School Prior to Enrollment	- 42.69*** (3.60)	-
In GED/Equivalency Program at Enrollment	- 62.58*** (4.57)	- 12.79 (1.50)
Ever Employed Prior to Enrollment[b]	- 13.41** (2.26)	- 13.06 (1.61)
Sector of Job Assignment:		
Non-Profit Only	- 13.73* (1.78)	+ 2.21 (0.21)
Private Sector Only	- 63.93*** (7.31)	- 31.90*** (2.62)
More Than One Sector	+ 99.91*** (14.60)	+107.28*** (10.44)

Variables	In-School	Out-of-School
Site:		
Baltimore	+135.42*** (7.42)	+ 48.47** (2.42)
Boston	+103.38*** (5.50)	+ 69.88*** (3.35)
Cincinnati	+ 55.05*** (2.78)	+ 2.21 (0.09)
Denver	- 15.28 (0.69)	- 43.05* (1.87)
Detroit	+ 52.57*** (2.83)	- 19.13 (0.89)
King-Snohomish	+ 17.74 (0.89)	+ 53.46** (2.56)
Mississippi	+ 86.77*** (4.67)	+ 43.30** (2.02)
Alachua County	+ 66.23* (1.73)	-
Albuquerque	+ 86.20*** (3.12)	-
Berkeley	+ 93.12*** (3.41)	-
Dayton	+ 86.78** (2.06)	-
Hillsborough	+ 43.12 (0.92)	-
Monterey	+101.32*** (2.95)	-
New York	+108.31*** (4.32)	-
Philadelphia	- 2.72 (0.08)	-
Steuben County	+ 90.57* (1.93)	-
Constant	+881.60	+761.15
R Square	0.475	0.281
Average Days Active	298.17	207.01
Number of Cases	3734	1876

SOURCE: Youth Entitlement Demonstration Information System.

NOTES: The models shown here were calculated by ordinary least squares samples of youths who worked in an Entitlement job, and for whom complete data were available on all variables used in the models. The samples were weighted to reflect the relative size of each site. Because weights were applied to cases with missing values, the weighted number of in-school youths was 3,857 and out-of-school youths 1,900. Significance tests are based on the weighted sample sizes. In-school and out-of-school refers to the school semester prior to enrollment in Entitlement.

Numbers shown in parentheses represent the t-statistic. A dash ("-") indicates variables which were not used in a model.

Coefficients are significantly different from zero at the 10(*), 5(**), and 1(***) percent levels using two-tailed t-tests.

[a] Age is a continuous variable, calculated from birth-date and enrollment-date.

[b] Includes both subsidized and unsubsidized employment.

TABLE C-3

REGRESSION MODELS PREDICTING THE PERCENT OF TERMINATIONS FOR NEGATIVE, RESIGNATION, AND OTHER REASONS, BY PARTICIPANT CHARACTERISTICS AND AVERAGE SITE UNEMPLOYMENT RATE

Variables	Negative Terminations	Resignations	Other Terminations
Age at Enrollment[a]	+0.030*** (3.35)	-0.011 (1.49)	-0.019** (2.01)
Male	+0.013 (0.95)	+0.040*** (3.42)	-0.053*** (3.62)
Ethnic Group:			
Black, Non-Hispanic	+0.079*** (4.40)	-0.126*** (8.39)	+0.047** (2.47)
Hispanic	+0.083*** (2.69)	-0.080*** (3.09)	-0.003 (0.10)
Highest Grade Completed Prior to Enrollment:			
8 or Less	+0.266*** (9.51)	+0.067*** (2.89)	-0.334*** (11.36)
9	+0.217*** (9.80)	+0.090*** (4.87)	-0.307*** (13.21)
10	+0.046** (2.33)	+0.076*** (4.65)	-0.122*** (5.91)
Ever Dropped Out of School Prior to Enrollment	+0.077*** (3.11)	+0.020 (0.98)	-0.097*** (3.75)
In GED/Equivalency Program at Enrollment	+0.205*** (7.56)	-0.081*** (3.57)	-0.125*** (4.38)
Ever Employed Prior to Enrollment[b]	-0.017 (1.17)	+0.014 (1.15)	+0.003 (0.20)
Sector of Job Assignment:			
Non-Profit Sector Only	+0.030 (1.53)	+0.005 (0.28)	-0.035* (1.68)
Private Sector Only	+0.040* (1.76)	+0.093*** (4.89)	-0.133*** (5.57)
More Than One Sector	+0.044** (2.53)	-0.003 (0.19)	-0.041** (2.26)
Average Site Unemployment Rate[c]	+0.039*** (5.58)	-0.046*** (7.98)	+0.007 (1.02)
Constant	-0.650	+0.681	+0.969
R Square	0.115	0.069	0.108
[illegible] Outcome	0.3513	0.1843	0.4644
Number of Cases		3854	

SOURCE: Youth Entitlement Demonstration Information System, and "Employment and Earnings", published monthly by the U.S. Department of Labor, Bureau of Labor Statistics.

NOTES: The models shown here were calculated using ordinary least squares on a combined sample of youths who worked in an Entitlement job, who had been terminated as of the end of the Demonstration, and for whom complete data were available on all variables used in the models. The sample is weighted to reflect the relative size of each site and the proportion of in-school and out-of-school youths in each site. Because weights were applied to cases with missing values, the weighted number of cases was 4,274. Significance tests are based on the weighted sample.

The sample includes no observations from Alachua County, Berkeley, and Steuben County, because unemployment rates were not available for those sites.

(continued)

TABLE C-3 continued

"Negative Terminations" are: unsatisfactory school/program performance or attendance; and dropping out of school. "Resignations" are voluntary departures by youths who are still in school at the time of termination. "Other Terminations" include all other reasons, such as: graduation; ineligibility for age, income, or residency; loss of contact; and end of Demonstration.

Coefficients are significantly different from zero at the 10(*), 5(**), and 1(***) percent level, using two-tailed t-tests.

[a] Age is a continuous variable calculated from birth-date and enrollment-date.

[b] Includes both subsidized and unsubsidized employment.

[c] Refers to the average monthly unemployment rate during the Demonstration period at a given site.

distributed in a similar way. Both groups of youths, however, were combined for the analysis of termination reasons, since analysis of co-variance showed that separate treatments were unnecessary. For this combined analysis, different weights were calculated so that the sample was distributed by site and prior educational status in the same proportions as all enrollees in the demonstration.

Table C-4 shows the sample means of the variables used in the regression models. These means reflect the weighting as described above. Since the enrolled but non-participating youths and youths with missing data were dropped from the regression models, the number of cases after weighting differed from the number of unweighted cases used in each analysis. Weighted and unweighted models were estimated for each analysis in order to ensure that weights were not exerting a strong influence on either the significance of the findings or the findings themselves. Unweighted regressions showed similar relationships between the dependent and independent variables and also similar levels of significance for most variables, but would not have described behavior in the overall demonstration as accurately as the weighted models.

The sample size for the termination analysis was smaller than the sum of both the in-school and the out-of-school samples, since the termination analysis excluded youths not terminated by the demonstration's end and all the youths in three sites where there were no unemployment data.

All estimation was accomplished using Ordinary Least Squares (OLS) methods. These methods produce unbiased estimates of dependent variables, but are not as efficient as other methods in predicting binary

TABLE C-4

MEANS OF CONTROL VARIABLES USED IN REGRESSIONS PREDICTING AVERAGE LENGTH OF STAY BY PRIOR EDUCATION STATUS, AND TYPE OF TERMINATION, FOR ENTITLEMENT TERMINEES

	Length-of-Stay Samples		Termination
Variables	In-School	Out-of-School	Analysis Sample[a]
Age at Enrollment[b]	16.9499	17.8695	17.1622
Month of First Job Assignment	14.2772	15.1303	-
Month of First Job Assignment, Squared	287.7682	297.3704	-
Sex:			
Male	.4684	.4852	.4629
Female	.5316	.5148	.5371
Ethnic Group:			
Black, Non-Hispanic	.7332	.6791	.7189
Hispanic	.0606	.0873	.0653
White, Non-Hispanic / Other	.2062	.2336	.2158
Highest Grade Completed Prior to Enrollment:			
8 or Less	.1194	.3039	.1133
9	.3151	.2941	.2694
10	.3763	.2724	.3902
11	.1892	.1296	.2271
Ever Dropped Out of School for a Semester or Longer:			
Yes	.0628	1.0000	.1672
No	.9372	.0000	.8328
In GED/Equivalency Program Prior to Enrollment:			
Yes	.0457	.6672	.1226
No	.9543	.3328	.8774
Ever Employed Prior to Enrollment:[c]			
Yes	.3728	.4019	.3939
No	.6272	.5981	.6061
Sector of Entitlement Jobs:			
Public Only	.4252	.3151	.4208
Non-Profit Only	.1667	.2556	.1818
Private Only	.1207	.1320	.1194
More Than One Sector	.2874	.2973	.2780
Program Site:			
Baltimore	.2130	.3381	.2287
Boston	.1325	.1038	.1151
Cincinnati	.0735	.0787	.0707
Denver	.0457	.0651	.0611
Detroit	.1518	.1452	.1335
King-Snohomish	.0852	.1064	.1008
Mississippi	.1853	.1163	.2079
Tier I	.8870	.9536	.9178
Alachua County	.0057	.0009	.0000
Albuquerque	.0202	.0103	.0184
Berkeley	.0148	.0027	.0000
Dayton	.0045	.0014	.0026
Hillsborough	.0035	.0072	.0048
Monterey	.0086	.0057	.0077
New York	.0204	.0015	.0166
Philadelphia	.0097	.0016	.0080
Steuben County	.0035	.0082	.0000
Syracuse	.0221	.0069	.0241
Tier II	.1130	.0464	.0822
Average Site Unemployment Rate[d]	-	-	6.4353
Number of Cases	3,734	1,876	3,854

SOURCE: Youth Entitlement Demonstration Information System.

NOTES: The means or average proportions shown here are for the samples defined in the regression models in Appendix E, Tables 2 and 3. A dash ("-") in the table indicates that a variable was not used in the particular regression model. Tier totals are not used in most regressions, but are shown to allow comparison of samples with other data.

[a] This sample includes no observations from Alachua County, Berkeley, and Steuben County because unemployment rates were not available for those sites.

[b] Age is a continuous variable calculated from birth date and enrollment date.

[c] Includes both subsidized and unsubsidized employment.

[d] Refers to the average monthly unemployment rate during the demonstration period at a given site.

dependent variables, such as termination reasons. Factors which have a significant impact on binary dependent variables in OLS models, however, almost always have a similar impact in more efficient models using logit or probit methods. Therefore, reliance on OLS methods to describe termination patterns during the demonstration should not lead to conclusions which would differ substantially from those produced by more sophisticated means.

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